SERFF Tracking Number: ZUUG-127779311 State: Arkansas
Filing Company: Zurich American Life Insurance Company State Tracking Number: 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

#### Filing at a Glance

Company: Zurich American Life Insurance Company

Product Name: Marketing Material IUL SERFF Tr Num: ZUUG-127779311 State: Arkansas
TOI: L09I Individual Life - Flexible Premium SERFF Status: Closed-Filed-State Tr Num: 50168

Adjustable Life Closed

Sub-TOI: L09I.001 Single Life Co Tr Num: 2011-0156 State Status: Filed-Closed

Filing Type: Form Reviewer(s): Linda Bird

Author: Ute Luedtke-Ahrens Disposition Date: 11/07/2011

Date Submitted: 11/02/2011 Disposition Status: Filed-Closed

Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

#### **General Information**

Project Name: Marketing Material Filing IUL Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Domicile Status Comments:

Market Type: Individual

Individual Market Type:

Overall Rate Impact: Filing Status Changed: 11/07/2011
State Status Changed: 11/07/2011

Deemer Date: Created By: Ute Luedtke-Ahrens

Submitted By: Ute Luedtke-Ahrens Corresponding Filing Tracking Number:

Filing Description:

Marketing Material Submission – NAIC # 90557

SERFF Filing No. ZUUG - 127779311

#### Dear Commissioner Bradford:

Zurich American Life Insurance Company is filing the attached marketing materials, designed for use with Flexible Premium Adjustable Life Insurance Policy with Index-Linked Options, form number IUL121AR-01, which was approved by your Department on 5/19/2011, SERFF Tracking Number MLLM-127089333.

The Marketing Materials provided with this submission consist of the following documents:

A1-20229-A, Introducing Zurich American Life Insurance Company

SERFF Tracking Number: ZUUG-127779311 State: Arkansas
Filing Company: Zurich American Life Insurance Company State Tracking Number: 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

A1-20259-A, Zurich Index UL – Your EDGE in IUL Protection A1-20347-A, Zurich Global Life – Affluent Markets Group

The attached materials are slide presentations and are submitted in two ways: 1) The actual slide presentation, 2) Slide presentation including the speaker's script that accompanies each presentation.

We are filing form number A1-20347-A bracketed to be used in multiple settings. We are enclosing the Statement of Variable Language under the Supporting Documentation tab.

Thank you for your consideration of our filing. Please do not hesitate to contact me should you have any questions. Your prompt review and approval of these forms is greatly appreciated.

Sincerely,

Zurich

Ute Luedtke-Ahrens
Product Development Consultant

#### **Company and Contact**

#### **Filing Contact Information**

Ute Luedtke-Ahrens, Product Development ute.luedtke-ahrens@zurichna.com

Consultant

7045 College Blvd 913-339-1697 [Phone]
Overland Park, KS 66211 913-664-3611 [FAX]

**Filing Company Information** 

Zurich American Life Insurance Company CoCode: 90557 State of Domicile: Illinois

1400 American Lane Group Code: 212 Company Type: Life and Annuity

Schaumburg, IL 60196 Group Name: Zurich North America State ID Number:

(847) 605-6000 ext. [Phone] FEIN Number: 36-3050975

-----

#### **Filing Fees**

Fee Required? Yes
Fee Amount: \$150.00
Retaliatory? Yes

SERFF Tracking Number: ZUUG-127779311 State: Arkansas

Filing Company: Zurich American Life Insurance Company State Tracking Number: 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

Fee Explanation:  $$50.00 \text{ per Advertising document. 3 documents filed: } 3 \times 50 = 150$ 

Per Company: No

COMPANY AMOUNT DATE PROCESSED TRANSACTION #

Zurich American Life Insurance Company \$150.00 11/02/2011 53403838

SERFF Tracking Number: ZUUG-127779311 State: Arkansas

Filing Company: Zurich American Life Insurance Company State Tracking Number: 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

#### **Correspondence Summary**

#### **Dispositions**

Status Created By Created On Date Submitted
Filed-Closed Linda Bird 11/07/2011 11/07/2011

SERFF Tracking Number: ZUUG-127779311 State: Arkansas

Filing Company: Zurich American Life Insurance Company State Tracking Number: 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

#### **Disposition**

Disposition Date: 11/07/2011

Implementation Date: Status: Filed-Closed

Comment:

Rate data does NOT apply to filing.

 SERFF Tracking Number:
 ZUUG-127779311
 State:
 Arkansas

 Filing Company:
 Zurich American Life Insurance Company
 State Tracking Number:
 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

,	8		
Schedule	Schedule Item	Schedule Item Status	<b>Public Access</b>
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	Statement of Variable Language for form		Yes
	No a1-20347-A		
Form	Introducing Zurich American Life		Yes
	Insurance Company		
Form	Zurich Index UL - Your EDGE in IUL		Yes
	Protection		
Form	Zurich Global Life - Affluent Markets		Yes
	Group		

 SERFF Tracking Number:
 ZUUG-127779311
 State:
 Arkansas

 Filing Company:
 Zurich American Life Insurance Company
 State Tracking Number:
 50168

Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

Project Name/Number: Marketing Material Filing IUL/

#### Form Schedule

#### **Lead Form Number:**

Schedule Item Status	Form Number	Form Type	e Form Name	Action	Action Specific Data	Readability	Attachment
	A1-20229- A	Advertising	Introducing Zurich American Life Insurance Company	Initial		0.000	A1-20229-A Introduction to Zurich + Revised Underwriting - FINAL - 2011 10 07.pdf A1-20229-A (Incl Notes).pdf
	A1-20259- A	Advertising	Zurich Index UL - Your EDGE in IUL Protection	Initial		0.000	A1-20259-A Zurich Index UL Rollout Meeting Presentation Final - 2011 09 21.pdf A1-20259-A (Incl Notes).pdf
	A1-20347- A	Advertising	Zurich Global Life - Affluent Markets Group	Initial		0.000	A1-20347-A Dunhill Meetings - FINAL - 2011 10 12 (bracketed).p df A1-20347-A (Incl Notes).pdf



# Introducing Zurich American Life Insurance Company

Helping you build your business

Windy City October 6, 2011

Webinar Details: 888-498-0111

Participant Code \*5583386\*

Presented by:

Laura L. O'Dea, CLU, Regional Vice President



# **Agenda**



- Introductions
- Zurich American Life Insurance Company, Who We Are
- Product Introductions
  - Zurich Guaranteed Death Benefit UL
  - Zurich Index UL™
- New Business & Underwriting
- Broker Appointment Process & Commissions
- Next steps/Coming Attractions



# Zurich American Life Insurance Company Affluent Markets Group

Presented by:

Laura L. O'Dea, CLU, Regional Vice President

# **Affluent Markets Group**



## Target Market:

- U.S. high net-worth individuals and business owners
- Estate planning and business insurance

#### Niche Markets:

- \$20 million retention
- International underwriting capabilities
- Professional athletes program

# Issuing Carrier¹:

- Zurich American Life Insurance Company
- A.M. Best: A- (Excellent²), Standard & Poor's: A- (Strong³)
   Moody's: A3 (Good⁴)

Insurance product obligations are the sole responsibility of each issuing company. Only the assets of the local issuing insurance company (and no other assets of the Zurich Financial Services Group) are available to meet its obligations for the performance of its products.

<sup>&</sup>lt;sup>2</sup> Effective June 2011.

<sup>&</sup>lt;sup>3</sup> Effective November 2010.

<sup>&</sup>lt;sup>4</sup> Effective June 2011.

# **Distribution Strategy**



# Select Brokerage General Agencies

- Selected Brokerage General Agencies to access product through Zurich American Life Insurance Company
- Contractual limit on maximum street comp that can be paid to producers
- Limited distribution strategy will result in sustainable "franchise value"

# **Marketing Launch Plan**



- Overnighted Sales Kit to BGA Office
- Emailing of Customizable flyers for Market Niches (drip marketing campaign)
  - Introduction of Zurich American Life Insurance Company
  - \$20 million of Per Life Retention
  - International Underwriting
  - Professional Athletes
- Illustration Software on Zurich Website www.zlifeusa.com
- Underwriting Kit

# **Marketing Materials**



- ✓ Training Videos Brainsharks
- ✓ Producer Guide
- ✓ Consumer Guide
- ✓ Product Highlight Sheets
- ✓ Flyers
- ✓ Illustration System





A flexible premium adjustable universal life insurance:



Zurich	Guaranteed	Death	Benefit	UL
	-			

Penkat Design	Fieldle premum altorable thi murance
Stone ages	£10 ET - valve by trid classes, as drawn below
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Maximum special risk libra.	Sale 16
Flat entrus	Full extract temporary and pernament) are allowed on all fully-underwritten roal closes, with the exception of inviting their
Minimum specified printers	\$290,000
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Guaranteed minimum credited interest rate	2.3% per year
Cornet codited prisonal late	Sale will be dearnesed periodically by the Company
Persians	+ Implained premiums may be past at any time
	<ul> <li>Premoure poyment modes inhalse provail, sets-annual, quarterly and muntilip the Authorised (Hauborg (Inc.) applications will be setable on all modes, thrus bills will not be premium to represe during the first three policy years.</li> <li>A minimum, persions is, respone during the first three policy years.</li> </ul>
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# **Product Introductions**

Presented by:

Laura L. O'Dea, CLU, Regional Vice President

# **Zurich Guaranteed Death Benefit UL**



- Guaranteed No-Lapse available to age 121
- Issue ages 18-85
- 6 risk classes (PBNT, PNT, SPNT, SNT, PT, ST)
- Death Benefit amounts of \$250,000 up to \$20,000,000 at approved ages

## **Zurich Guaranteed Death Benefit UL**





#### Zurich Guaranteed Death Benefit UL State Approval Chart

as of 02/22/2011

	State	Approval Date
- 1	Alabama	08/31/2010
2	Alaska	10/28/2010
3	Arizona	02/22/2011
4	Arkansas	08/25/2010
5	California	02/08/2011
6	Colorado	10/28/2010
7	Connecticut	11/10/2010
8	Delaware	09/13/2010
9	District of Columbia	08/25/2010
10	Florida	09/15/2010
-11	Georgia	10/28/2010
12	Hawaii	10/28/2010
13	Idaho	10/28/2010
14	Illinois	12/14/2010
15	Indiana	10/28/2010
16	lowa	10/28/2010
17	Kansas	10/28/2010
18	Kentucky	10/28/2010
19	Louisiana	10/28/2010
20	Maine	10/28/2010
21	Maryland	10/28/2010
22	Massachusetts	10/28/2010
23	Michigan	10/28/2010
24	Minnesota	10/28/2010
25	Mississippi	10/28/2010
26	Missouri	10/28/2010

	State	Approval Date	
27	Montana	12/14/2010	
28	Nebraska	10/28/2010	
29	Nevada	09/28/2010	
30	New Hampshire	10/28/2010	
31	New Jersey	11/04/2010	
32	New Mexico	10/28/2010	
33	New York	Not Filed	
34	North Carolina	10/28/2010	
35	North Dakota	09/02/2010	
36	Ohio	10/28/2010	
37	Oklahoma	10/28/2010	
38	Oregon	09/07/2010	
39	Pennsylvania	10/28/2010	
40	Rhode Island	10/28/2010	
41	South Carolina	10/28/2010	
42	South Dakota	08/30/2010	
43	Tennessee	10/28/2010	
44	Texas	10/28/2010	
45	Utah	10/28/2010	
46	Vermont	10/28/2010	
47	Virginia	10/28/2010	
48	Washington	10/28/2010	
49	West Virginia	10/28/2010	
50	Wisconsin	10/28/2010	
51	Wyoming	10/28/2010	

# Approved in 50 Jurisdictions

# New York A New York based subsidiary, Zurich American Life Insurance Company of New York, is planned for Oct 2011 and product introduction late 2012

# Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



#### Domestic Multi Index Interest Account

- 3 Underlying Indexes
- S&P 500<sup>®</sup> Composite Stock Price Index (excluding dividends)<sup>6</sup>
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)<sup>7</sup>
- Russell 2000 Index® (excluding dividends)8

#### Global Multi Index Interest Account

- 3 Underlying Indexes
- S&P 500<sup>®</sup> Composite Stock Price Index (excluding dividends)<sup>6</sup>
- MSCI EAFE Index (excluding dividends)<sup>9</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>9</sup>

# Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Reduces need to predict future index performance
  - Performance of the 3 underlying indexes are weighted
    - #1 performing index is overweighted 70%
    - #2 performing index is weighted 30%
    - #3 performing index is excluded from consideration

## Zurich Index UL™



Zurich HelpPoint



#### Zurich Index UL™ State Approval Chart

as of 08/17/2011

	State	Approval Date		State
1	Alabama	04/19/2011	28	Nebra
2	Alaska	07/12/2011	29	Nevad
3	Arizona	05/27/2011	30	New I
4	Arkansas	05/19/2011	31	New J
5	California	08/04/2011	32	New N
6	Colorado	07/12/2011	33	New \
7	Connecticut	06/14/2011	34	North
8	Delaware	08/15/2011	35	North
9	District of Columbia	04/20/2011	36	Ohio
10	Florida	05/04/2011	37	Oklah
11	Georgia	07/12/2011	38	Orego
12	Hawaii	07/12/2011	39	Penns
13	Idaho	07/12/2011	40	Rhode
14	Illinois	06/21/2011	41	South
15	Indiana	07/12/2011	42	South
16	lowa	07/12/2011	43	Tenne
17	Kansas	07/12/2011	44	Texas
18	Kentucky	07/12/2011	45	Utah
19	Louisiana	07/12/2011	46	Vermo
20	Maine	07/12/2011	47	Virgin
21	Maryland	07/12/2011	48	Washi
22	Massachusetts	07/12/2011	49	West
23	Michigan	07/12/2011	50	Wisco
24	Minnesota	07/12/2011	51	Wyon
25	Mississippi	07/12/2011		_
26	Missouri	07/12/2011	Vicit	www
27	Montana	06/14/2011	VISIC	

	State	Approval Date
28	Nebraska	07/12/2011
29	Nevada	06/02/2011
30	New Hampshire	07/12/2011
31	New Jersey	07/12/2011
32	New Mexico	07/12/2011
33	New York	Not filed
34	North Carolina	07/12/2011
35	North Dakota	05/13/2011
36	Ohio	07/12/2011
37	Oklahoma	07/12/2011
38	Oregon	08/17/2011
39	Pennsylvania	07/12/2011
40	Rhode Island	07/12/2011
41	South Carolina	07/12/2011
42	South Dakota	04/20/2011
43	Tennessee	07/12/2011
44	Texas	07/12/2011
45	Utah	07/12/2011
46	Vermont	07/12/2011
47	Virginia	07/12/2011
48	Washington	07/12/2011
49	West Virginia	07/12/2011
50	Wisconsin	07/12/2011
51	Wyoming	07/12/2011

Visit www.zlifeusa.com for updates

- Approved in 50 Jurisdictions
- New York
  A New York based subsidiary,
  Zurich American Life Insurance Company
  of New York, is planned for Oct 2011 and
  product introduction late 2012



# New Business and Underwriting

#### Presented by:

Bill Guterding, FLMI, CLU, FALU, Senior Vice President & Chief Underwriting Officer Eileen Ehlers, Underwriting Vice President

# **Underwriting Strengths**



- \$20M retention
- Permanent table ratings for non-tobacco applicants based on Standard Plus rates
- Professional Team Athlete Program
- Treadmill EKGs are not required for non-tobacco qualifiers
- No MD exams required for any amount up to and including age 70
- Family history not considered for those over the age of 65 for risk class qualification
- Gender specific cancers are not considered for a proposed insured of the opposite sex as part of our family history criteria
- Scuba/Aviation available on Preferred class including rating
- Underwriting Philosophy
- Use of multiple underwriting manuals
- Recreational cigar user can qualify for Preferred Best class
- Competitive International Underwriting with large retention amounts
- Underwriting requirements valid for one year up to age 70
- Quick Quotes available at quick.quote@zurichna.com

# **Underwriting–Approved Vendor Facilities**



- Examination Vendors
  - EMSI
  - ExamOne
  - Portamedic
- APS Vendor
  - EMSI
- Inspection Report Vendor
  - ExamOne
- Lab Vendor
  - ExamOne

# **Underwriting Kit**



**Affluent Markets** 



Affluent Markets

Zurich HelpPoint



- ✓ Contact List
- Underwriting Guidelines
- ✓ International Underwriting Brochure
- ✓ New Business Submission Sheet
- ✓ HIPAA Authorization
- ✓ Applications
- Questionnaires
- ✓ Misc Forms





Zurich HelpPoint









Zurich Affluent Markets Group Professional Team Athlete Program

Professional team athletes and their coaches are different in and out of team competition.

When professoral fram attitutes and their coaches come to market to practice genomal life insurance, they encounter a unique set of significant challenges that often their sublity to buy any personal overage for their important supplemental interserved or establishment purposes.

why dignotestral team athletes and couches face these challenges? In a word, "capacity".

Why is there a "capacity" challenge with professional team athletes?

 "Contents Deader": many U.S. carrent and their nemusions companies an enty concerned with what they believe an additional risk associated with professional faces additional common distance (e.g., a common their distance, etc.) but could repart multiple members of the same faces. This concern is why similar to the concerns seen when a corporation administs to they key must option on a large number of dissociates that work in this case included in a professional control of the concerns of the concerns seen when a composition administration of their control of their

 "Executive inforce Life reparament", the player's foom in opposion may have substanted inforce form life coverage on the life of the atteine for could indemnifying the stoom or opposion it is, not the atteine or could directly. This inforce coverage, however short-form is an aging 16 year form life peologic in rubuse, our organizatily limit in completely eliminate the

players or counts ability to purchase personal coverage.

"Presign Nationalsh": Namy of braight too baseful, backetfulf, frocking etc., stan ere not 10.5 offeres and many others send applicated amounts of time in the off-season residing in their non-U.S. home countries. These flowing national and fraings stated waitins class many U.S. mississes commonwess not their resissions in significantly limit the amount of the

The Zurich Advantage
A professional challenge demands a professional solution.

Joseph Milliand Markets Govern reducing leading Professional Team

Program gives you the took and the capacity exciting market segment with the confidence

# **Website Access to Underwriting Forms**



Step 1

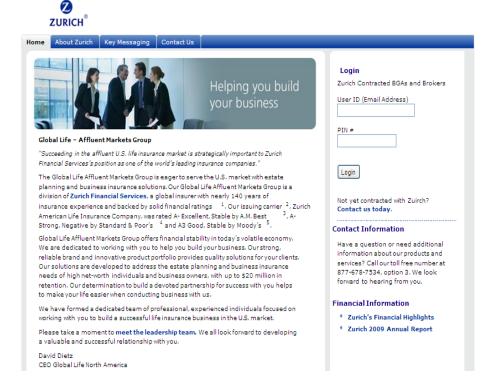
Go to www.zlifeusa.com

Step 2

Log into site

Enter User ID: Zurich

PIN #: B00053



# **Website Access to Forms (Continued)**



- Step 3Go to "Forms" tab
- Step 4
  Select "Service Type" = "New Business"
- Step 5
  Click on appropriate "State"
- Step 6
  Select "Product Type"
  "Universal Life" or "Index Universal Life"
- Step 7
  Select "Product Name"
  "Zurich Guaranteed Death Benefit UL" or "Zurich IUL"



# **Website Access to Forms (Continued)**







- All required forms pulled
- Bundling options for forms
  - Email
  - Printed

## **New Business Submission Guidelines**



- Completed paperwork can be mailed, faxed or emailed
- Address:

Zurich

Attention: Underwriting/New Business 7045 College Boulevard, 4th Floor Overland Park, Kansas 66211-1523

- Phone Number: 877-678-7534, Option 1
- Fax Number: 888-871-7537
- Email Address: life.underwriting@zurichna.com
- Quick Quotes: quick.quote@zurichna.com



# Licensing, Contracting and Commissions

Presented by:

Kathy Spangler, Agency and Commissions Manager

# **Broker and Appointment Checklist**

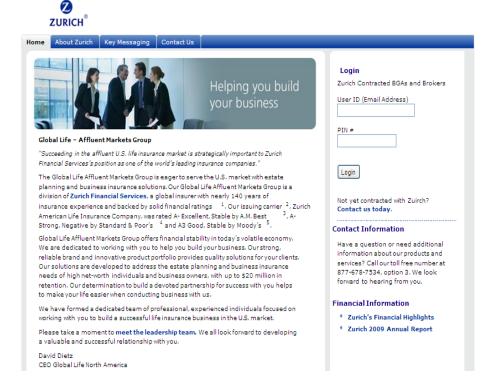


- Broker Agreement (form number IFA-1001)
- Application for Contracting and Appointment (form number IFA-5000)
- Copy of State Insurance License(s)
- Non-Resident Appointment Fees
   (if non-resident appointment is requested)
- W-9 (form number Rev. 10-2007)
- Assignment of Agent Contract Optional (form number ZM-10020EK)
- Electronic Funds Transfer (form number IFA-COM-DD)

## Website Access to L&C Forms



- Step 1
  - Go to www.zlifeusa.com
- Step 2
  - Log into site
  - Enter User ID: Zurich
  - PIN #: B00053



# Website Access to L&C Forms Continued



# Step 3

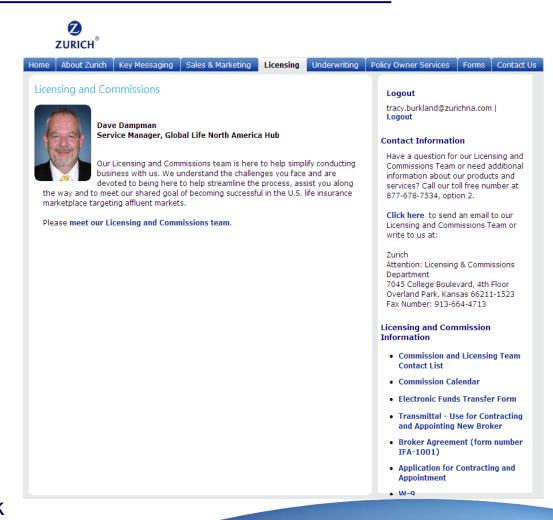
Go to "Licensing" tab

# Step 4

 Click on needed form in box on the right hand side of the webpage under Licensing & Commission Information

# Step 5

- Click on fillable form
- Complete form online & print and/or save a blank form for future use



# **Submission of Paperwork**



- Complete paperwork provided and mail, fax or email to:
- Address:

Zurich

Attention: Licensing & Commissions Department 7045 College Boulevard, 4th Floor Overland Park, Kansas 66211-1523

- Phone Number: 877-678-7534, Option 2
- Fax Number: 913-664-4713
- Email Address: life.licensing@zurichna.com

# **Appointment Guidelines and Timelines**



"Just In Time" guidelines for ordering appointments

Non-"Just In Time" states - MT,KS,PA,LA,& NM

 Once in good order – 5 to 7 business days for the background and appointment approval process





Target Year 1	Excess Year 1	Renewal Year 2-10	Service Fees Years 11+
Maximum Street Level Compensation of 90%	4.00%	4.00%	2.00%
85%	3.75%	3.75%	1.75%
80%	3.50%	3.50%	1.50%
75%	3.25%	3.25%	1.25%
70%	3.00%	3.00%	1.00%
65%	2.75%	2.75%	0.75%
60%	2.50%	2.50%	0.50%
55%	2.25%	2.25%	0.25%
50%	2.00%	2.00%	0.00%

# **Broker Compensation Schedules Zurich Index UL**<sup>TM</sup>



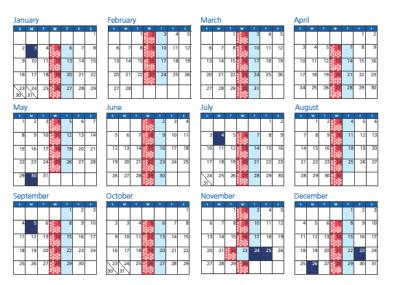
Target Year 1	Excess Year 1	Renewal Year 2-10	Service Fees Years 11+
Maximum Street Level Compensation of 95%	4.00%	4.00%	2.00%
85%	3.75%	3.75%	1.75%
80%	3.50%	3.50%	1.50%
75%	3.25%	3.25%	1.25%
70%	3.00%	3.00%	1.00%
65%	2.75%	2.75%	0.75%
60%	2.50%	2.50%	0.50%
55%	2.25%	2.25%	0.25%
50%	2.00%	2.00%	0.00%

## **Commission Calendar**





#### Commission Calendar 2011



Key
Commission cut-off (i)
Requirements must be received by 1:00pm CST on day of commission cut-off.
Checks mailed and EFT sent (i)
Holiday – Zurich closed

\* Commission Cycle and New Business Cutoff moved up due to Holiday

Checks \$25,000 and greater will be sent overnight.
Checks less than \$25,000 will be sent regular mail.
Licensing and Commissions can be reached at 877-678-7534, Option 2

#### Zurich Holiday Schedule

New Year's Day Memorial Day Independence Day Labor Day Thanksgiving Day Day After Thanksgiving Half Day Christmas Eve

Monday, January 3rd Monday, May 30th Monday, July 4th Monday, September 5th Thursday, November 24th Friday, November 25th Friday, December 23rd Monday, December 26th

- Wednesday commission cut-off
- Requirements must be received by 1:00pm CST on day of commission cut-off
- Checks can be sent by mail or EFT



# Next Steps

Presented by:

Arlene Chevannes, Field Marketing Consultant

# **Webinars for Key Office Personnel**



## Learn the Product & Illustration System

- Overview of Illustration System and input screens
- Example of different case scenarios
- Product overview

## Website Tour

- Marketing info and where to find on the Website
- New Business and L&C Forms

## Licensing & Contracting

- How to complete Broker Contracting paperwork
- Compensation schedules
- When to appoint a broker in the new business process

## Underwriting & New Business

- Keys to getting the best underwriting offer
- Specifics on Foreign National/International Underwriting
- Submission requirements, needed forms

## **Coming Attractions**



- Zurich Survivorship Index UL Product
  - Targeted for first quarter 2012
- New York Product Launch
  - Targeted for fourth quarter 2012

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## **Licensing & Contracting**

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## **Contacts**



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# **Important Disclosures**



This presentation contains highlights only. You should refer to the Zurich Index UL policy for a full explanation. All tax related information contained herein is based on our current understanding of federal tax laws as they relate to life insurance or other subject matter discussed. These laws are subject to change in the future. Neither Zurich nor its representatives offer legal or tax advice. You should consult a personal tax advisor on any tax matters.

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Zurich American Life Insurance Company 7045 College Boulevard, Overland Park, Kansas 66211-1523 877 678 7534 www.zlifeusa.com

The terms and conditions for the flexible premium adjustable life insurance policy (ICC10-UL121-01) and flexible premium adjustable life insurance policy with index-linked interest options (ICC11-IUL121-01) are sent forth in the policy form numbers shown, or applicable state variations. The policy is issued by Zurich American Life Insurance Company. It is subject to the laws of the state where it is issued. This material is a summary of the product features only. Please read the policy carefully for full details. Insurance coverages underwritten by Zurich American Life Insurance Company, an Illinois domestic stock life insurance company. Certain coverages may not be available in all states and policy provisions may vary by state.

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A1-20229-A (09/11) 11-2486



## Introducing Zurich American Life Insurance Company

Helping you build your business

Windy City October 6, 2011 Webinar Details: 888-498-011 Participant Code \*5583386\*

Presented by: Laura L. O'Dea, CLU, Regional Vice President

Zurich HelpPoint

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## **Agenda**



- Introductions
- Zurich American Life Insurance Company, Who We Are
- Product Introductions
  - Zurich Guaranteed Death Benefit UL
  - Zurich Index  $UL^{\scriptscriptstyle\mathsf{TM}}$
- New Business & Underwriting
- Broker Appointment Process & Commissions
- Next steps/Coming Attractions

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## Zurich American Life Insurance Company Affluent Markets Group

Presented by: Laura L. O'Dea, CLU, Regional Vice President

3

[DENNIS] OK, let's jump right into today's first presentation topic: WHICH MARKET INDEX TO USE when considering an index UL life insurance policy. Tim, what are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

[TIM] At the outset of our discussion, let's be mindful that we are talking about an interest rate crediting methodology inside of a permanent, cash value life insurance policy. By its very nature, a permanent cash value life insurance product is a long-term proposition. Therefore, a policy's internal mechanics, including its interest crediting rate, should be built to deliver the long-term performance that the consumer and the sales professional expects.

[TIM] In selecting a market index to use in a buy & hold life insurance purchase, it is important to ask if any one single index will be able to perform consistently well in the future. In my opening comments, I briefly touched on the fact that we live in a global economy. Life insurance sales professionals know this and most importantly, their affluent and mass affluent clients know this. The S&P 500 Index is an excellent U.S. large cap index. The question seems to be whether a single market index model, such as the S&P 500 Index, is most suitable, or is a mix of a number of market indices a better long-term strategy.

#### **Affluent Markets Group**



#### **Target Market:**

- U.S. high net-worth individuals and business owners
- Estate planning and business insurance

#### Niche Markets:

- \$20 million retention
- International underwriting capabilities
- Professional athletes program

#### Issuing Carrier<sup>1</sup>:

- Zurich American Life Insurance Company
- A.M. Best: A- (Excellent<sup>2</sup>), Standard & Poor's: A- (Strong<sup>3</sup>) Moody's: A3 (Good4)

urance product obligations are the sole responsibility of each issuing company. Only the assets of the local issuing insurance company (and no other assets of the Zurich Financial ective June 2011.

ective June 2011.

ective June 2011.

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#### **Distribution Strategy**



#### Select Brokerage General Agencies

- Selected Brokerage General Agencies to access product through Zurich American Life Insurance Company
- Contractual limit on maximum street comp that can be paid to producers
- Limited distribution strategy will result in sustainable "franchise value"

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#### **Marketing Launch Plan**



- Overnighted Sales Kit to BGA Office
- Emailing of Customizable flyers for Market Niches (drip marketing campaign)
  - Introduction of Zurich American Life Insurance Company
  - \$20 million of Per Life Retention
  - International Underwriting
  - Professional Athletes
- Illustration Software on Zurich Website www.zlifeusa.com
- Underwriting Kit

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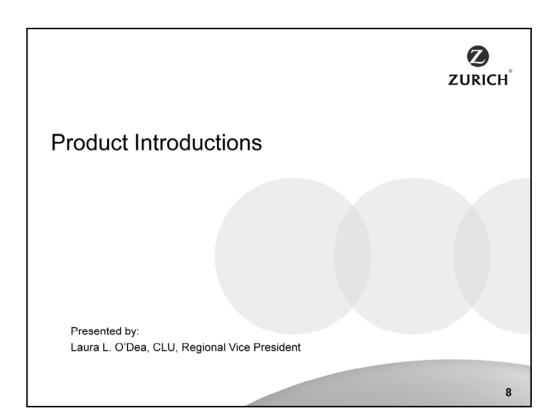
## **Marketing Materials**



- ✓ Training Videos Brainsharks
- ✓ Producer Guide
- ✓ Consumer Guide
- ✓ Product Highlight Sheets
- √ Flyers
- ✓ Illustration System



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#### **Zurich Guaranteed Death Benefit UL**



- Guaranteed No-Lapse available to age 121
- Issue ages 18-85
- 6 risk classes (PBNT, PNT, SPNT, SNT, PT, ST)
- Death Benefit amounts of \$250,000 up to \$20,000,000 at approved ages

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#### **Zurich Guaranteed Death Benefit UL**





	State	Approval Date		State	Approval
	Alabama	0851/2010	27	Montana	13/14/2010
t	Nanka	10090010	28	Nebraska	19040010
ī	Arlaona	03030011	29	Nevoda	09/28/2010
Ŀ	Arkamsas	08050010	30	New Hampshire	19080010
(	alfonia	03/66/2011	31	New Jersey	11/64/2010
c	niorado	1009/0010	32	New Mexico	15040010
C	omedicut	11/10/2010	33	New York	Not Fied
Б	Delaware	09/13/2010	34	North Carolina	19090010
	District of Columbia	0805/0010	35	North Dallota	09/02/2010
	Florida	09/15/2010	36	Ohio	19080010
1	Georgia	10090010	37	Oklahoma	19090010
İ	Hawaii	10090910	38	Oregon	09570010
Ī	Seho	19090910	39	Pennsylvania	19050010
-	inois	13/14/2010	40	Rhode Island	19080010
inc	foru	10060010	41	South Carolina	19080010
Ī	iowa	10090010	42	South Dallota	08/30/2010
1	Karrais	10090010	-43	Tennessee	19090010
	Kertucky	10090010	-44	Yeas	19080010
	Louisiana	10060010	.45	Utsh	19080010
	Maine	10060010	46	Vermont	19080010
	Maryland	10060010	47	Virginia	19080010
	Messchusetts	10060010	48	Washington	10060010
Ì	Michigan	100900010	49	West Virginia	19090010
t	Minnesota	100900010	50	Wisconsin	19080010
t	Mississippi	10060010	51	Wyoming	19080010
١,	Assouri	10090010			•

Approved in 50 Jurisdictions

New York

A New York based subsidiary, Zurich American Life Insurance Company of New York, is planned for Oct 2011 and product introduction late 2012

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# Zurich Index UL™ 2 Multi Index Interest Accounts



#### Domestic Multi Index Interest Account

- 3 Underlying Indexes
- S&P 500® Composite Stock Price Index (excluding dividends)<sup>6</sup>
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)<sup>7</sup>
- Russell 2000 Index® (excluding dividends)8

#### Global Multi Index Interest Account

- 3 Underlying Indexes
- S&P 500® Composite Stock Price Index (excluding dividends)<sup>6</sup>
- MSCI EAFE Index (excluding dividends)<sup>9</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>9</sup>

11

[DENNIS] Ladies and gentlemen, I am pleased to introduce to you two of the Zurich Index UL's key product differentiators: the Domestic Multi Index Interest Account and the Global Multi Index Interest Account.

[DENNIS] Each of these index interest accounts are comprised of three underlying indices.

[DENNIS] The Domestic Multi Index Interest Account features three underlying indices: the S&P 500 Composite Stock Price Index, the Dow Jones-UBS Commodity Index and the Russell 2000 Index.

[DENNIS] The Global Multi Index Interest Account also features three underlying indices: the S&P 500 Composite Stock Price Index, the MSCI EAFE Index and the MSCI Emerging Markets Index

# Zurich Index UL<sup>™</sup> 2 Multi Index Interest Accounts



- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Reduces need to predict future index performance
  - · Performance of the 3 underlying indexes are weighted
    - #1 performing index is overweighted 70%
    - #2 performing index is weighted 30%
    - #3 performing index is excluded from consideration

12

12

[DENNIS] Each of the accounts operates on a one-year point-to-point structure. Each of the accounts has a guaranteed 0% annual interest rate guarantee and as a result has a one year interest lock that ensures that at the end of every year, the policy value in every maturing index account segment will be credited with interest. This annual crediting permits each maturing account segment to start afresh each year with the last twelve month's performance fully reflected in any interest credited.

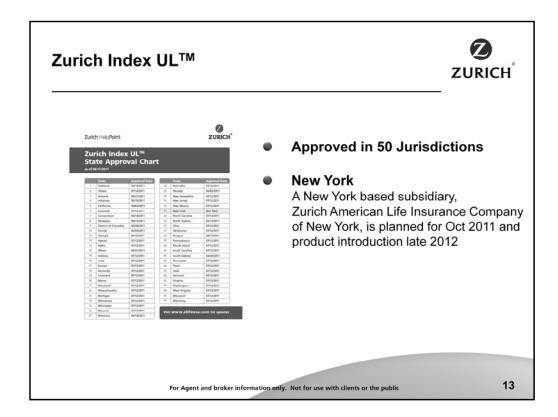
[TIM] The next two product differentiators – HINDSIGHT and OVERWEIGHTING – are very important stand-alone factors. More importantly, when HINDSIGHT and OVERWEIGHTING work in concert with one another – they really provide the Zurich Index UL with highly measurable differentiation. Let's take a closer look.

[TIM] HINDSIGHT significantly reduces the need for a Zurich Index UL policy holder to make predictions at the beginning of every year as to which index or indices will perform best over the next twelve months. Predicting next year's index performance is a most challenging if not impossible task. Few people are successful market timers. With Hindsight, the policy owner is content to wait until the end of the year knowing that the HINDSIGHT policy provision will automatically rank each of the indices' based on their past twelve month performances.

[DENNIS] Tim, how does OVERWEIGHTING work?

[TIM] The OVERWEIGHTING policy provision works immediately after the HINDSIGHT provision. The #1 performing index is overweighted using a 70% factor; the #2 performing index is weighted using a 30% factor and the #3 performing index is excluded from further consideration that year.

[TIM] The combination of the Zurich Index UL's HINDSIGHT and OVERWEIGHTING policy provisions can result in the Zurich Index UL being credited significantly more index interest credits than other competing index UL products.





## New Business and Underwriting

Presented by:

Bill Guterding, FLMI, CLU, FALU, Senior Vice President & Chief Underwriting Officer Eileen Ehlers, Underwriting Vice President

14

[DENNIS] OK, let's jump right into today's first presentation topic: WHICH MARKET INDEX TO USE when considering an index UL life insurance policy. Tim, what are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

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#### **Underwriting Strengths**



- \$20M retention
- Permanent table ratings for non-tobacco applicants based on Standard Plus rates
- Professional Team Athlete Program
- Treadmill EKGs are not required for non-tobacco qualifiers
- No MD exams required for any amount up to and including age 70
- Family history not considered for those over the age of 65 for risk class qualification
- Gender specific cancers are not considered for a proposed insured of the opposite sex as part of our family history criteria
- Scuba/Aviation available on Preferred class including rating
- Underwriting Philosophy
- Use of multiple underwriting manuals
- Recreational cigar user can qualify for Preferred Best class
- Competitive International Underwriting with large retention amounts
- Underwriting requirements valid for one year up to age 70
- Quick Quotes available at quick.quote@zurichna.com

## **Underwriting–Approved Vendor Facilities**



- Examination Vendors
  - EMSI
  - ExamOne
  - Portamedic
- APS Vendor
  - EMSI
- Inspection Report Vendor
  - ExamOne
- Lab Vendor
  - ExamOne

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## **Underwriting Kit**



- ✓ Contact List
- ✓ Underwriting Guidelines
- ✓ International Underwriting Brochure
- √ New Business Submission Sheet
- ✓ HIPAA Authorization
- ✓ Applications
- ✓ Questionnaires
- ✓ Misc Forms



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## Website Access to Underwriting Forms



Step 1
 Go to www.zlifeusa.com

Step 2

Log into site Enter User ID: Zurich PIN #: B00053



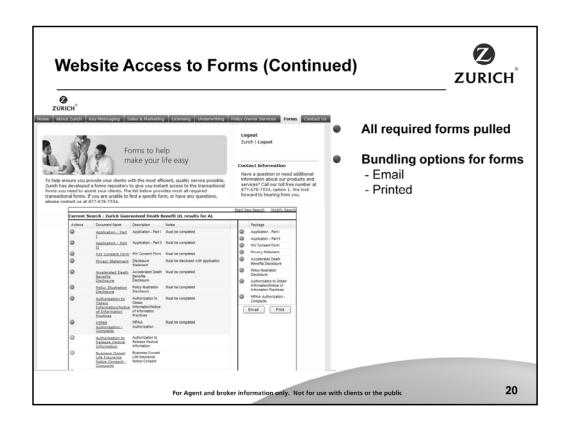
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# Website Access to Forms (Continued) Step 3 Go to "Forms" tab Step 4 Select "Service Type" = "New Business" Step 5 Click on appropriate "State" Step 6 Select "Product Type" "Universal Life" or "Index Universal Life"

Select "Product Name"
"Zurich Guaranteed Death Benefit UL" or "Zurich IUL"

Step 7

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#### **New Business Submission Guidelines**



- Completed paperwork can be mailed, faxed or emailed
- Address:

Zurich

Attention: Underwriting/New Business 7045 College Boulevard, 4th Floor Overland Park, Kansas 66211-1523

Phone Number: 877-678-7534, Option 1

Fax Number: 888-871-7537

Email Address: life.underwriting@zurichna.com

Quick Quotes: quick.quote@zurichna.com

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## Licensing, Contracting and Commissions

Presented by: Kathy Spangler, Agency and Commissions Manager

22

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## **Broker and Appointment Checklist**



- Broker Agreement (form number IFA-1001)
- Application for Contracting and Appointment (form number IFA-5000)
- Copy of State Insurance License(s)
- Non-Resident Appointment Fees
   (if non-resident appointment is requested)
- W-9 (form number Rev. 10-2007)
- Assignment of Agent Contract Optional (form number ZM-10020EK)
- Electronic Funds Transfer (form number IFA-COM-DD)

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#### Website Access to L&C Forms



- Step 1
  - Go to www.zlifeusa.com
- Step 2
  - Log into site
  - Enter User ID: Zurich
  - PIN #: B00053



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#### Website Access to L&C Forms Continued



#### Step 3

Go to "Licensing" tab

#### Step 4

 Click on needed form in box on the right hand side of the webpage under Licensing & Commission Information

#### Step 5

- Click on fillable form
- Complete form online & print and/or save a blank form for future use

Uccessing and Commissions

Dave Dampmans
Service Reseaper, Clobal Life north America Hub
Our Licensing and Commissions team is here to help singlify conducting
business with us. We understand the challenges you face and are
obviously and power to help strength you produce and are
obviously and power to help strength you for our discovering and commissions team is here to help singlify conducting
business with us. We understand the challenges you face and are
obviously and power to help strength you along
the way and to see the control goal of becoming accessful in the U.S. He mout ance
Please meet our Licensing and Commissions team.

Please meet our Licensing and Commissions team.

Please meet our Licensing and Commissions team.

Licensing and Commissions Team or
write to us at:

Jurio
Attention: Licensing & Commissions
Department
Depa

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#### **Submission of Paperwork**



Complete paperwork provided and mail, fax or email to:

Address:

Zurich

Attention: Licensing & Commissions Department 7045 College Boulevard, 4th Floor Overland Park, Kansas 66211-1523

Phone Number: 877-678-7534, Option 2

Fax Number: 913-664-4713

Email Address: life.licensing@zurichna.com

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### **Appointment Guidelines and Timelines**



- "Just In Time" guidelines for ordering appointments
- Non-"Just In Time" states MT,KS,PA,LA,& NM
- Once in good order 5 to 7 business days for the background and appointment approval process

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Target Year 1	Excess Year 1	Renewal Year 2-10	Service Fees Years 11+
Maximum Street Level Compensation of 90%	4.00%	4.00%	2.00%
85%	3.75%	3.75%	1.75%
80%	3.50%	3.50%	1.50%
75%	3.25%	3.25%	1.25%
70%	3.00%	3.00%	1.00%
65%	2.75%	2.75%	0.75%
60%	2.50%	2.50%	0.50%
55%	2.25%	2.25%	0.25%
50%	2.00%	2.00%	0.00%

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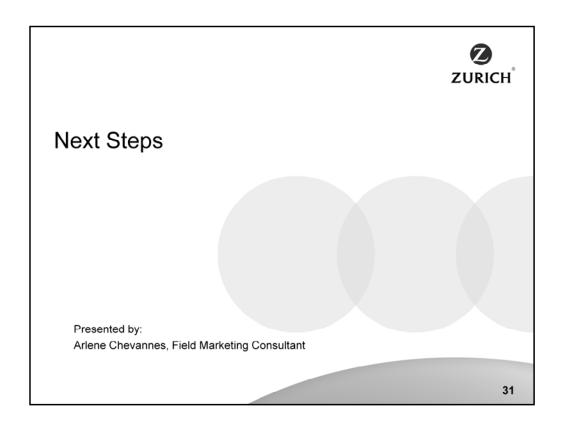




Target	Excess	Renewal	Service Fees
Year 1	Year 1	Year 2-10	Years 11+
Maximum Street Level Compensation of 95%	4.00%	4.00%	2.00%
85%	3.75%	3.75%	1.75%
80%	3.50%	3.50%	1.50%
75%	3.25%	3.25%	1.25%
70%	3.00%	3.00%	1.00%
65%	2.75%	2.75%	0.75%
60%	2.50%	2.50%	0.50%
55%	2.25%	2.25%	0.25%
50%	2.00%	2.00%	0.00%

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# Commission Calendar Commission Calendar 2011 Wednesday commission cut-off Requirements must be received by 1:00pm CST on day of commission cut-off Checks can be sent by mail or EFT For Agent and brocker information only. Not for use with clients or the public For Agent and brocker information only. Not for use with clients or the public



[DENNIS] OK, let's jump right into today's first presentation topic: WHICH MARKET INDEX TO USE when considering an index UL life insurance policy. Tim, what are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

[TIM] At the outset of our discussion, let's be mindful that we are talking about an interest rate crediting methodology inside of a permanent, cash value life insurance policy. By its very nature, a permanent cash value life insurance product is a long-term proposition. Therefore, a policy's internal mechanics, including its interest crediting rate, should be built to deliver the long-term performance that the consumer and the sales professional expects.

[TIM] In selecting a market index to use in a buy & hold life insurance purchase, it is important to ask if any one single index will be able to perform consistently well in the future. In my opening comments, I briefly touched on the fact that we live in a global economy. Life insurance sales professionals know this and most importantly, their affluent and mass affluent clients know this. The S&P 500 Index is an excellent U.S. large cap index. The question seems to be whether a single market index model, such as the S&P 500 Index, is most suitable, or is a mix of a number of market indices a better long-term strategy.

[NEXT PAGE]

#### **Webinars for Key Office Personnel**



#### Learn the Product & Illustration System

- Overview of Illustration System and input screens
- Example of different case scenarios
- Product overview

#### Website Tour

- Marketing info and where to find on the Website
- New Business and L&C Forms

#### Licensing & Contracting

- How to complete Broker Contracting paperwork
- Compensation schedules
- When to appoint a broker in the new business process

#### Underwriting & New Business

- Keys to getting the best underwriting offer
- Specifics on Foreign National/International Underwriting
- Submission requirements, needed forms

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#### **Coming Attractions**



- Zurich Survivorship Index UL Product
  - Targeted for first quarter 2012
- New York Product Launch
  - Targeted for fourth quarter 2012

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#### Zurich Index UL™ Your EDGE in IUL Protection

Presented by Affluent Markets Group Zurich American Life Insurance Company



# The Zurich Index UL™ 6 Key Differentiators





- Diversity
- Hindsight
- Overweighting
- Guarantees
- One-Year Interest Lock
- Growth Cap

# Zurich Index UL's EDGE... Diversity



- Opportunity for Geographic and Economic Diversity
  - ✓ Developed & Emerging Economies

☑ Large Cap & Small Cap.

✓ Fixed Income & Specialty Sectors

- ✓ Domestic & Global
- Fixed Interest Strategies
  - ☑ Long Term Fixed Account

✓ Short Term Holding Account

- Index Interest Strategies
  - ✓ S&P 500<sup>®</sup> Index Interest Account
- ✓ Domestic Multi Index Interest Account
- ☑ Global Multi Index Interest Account
- Zurich has the ability to adapt indices as market conditions change

# Zurich American Life Insurance Compa

# Zurich Index UL's EDGE... Hindsight and Overweighting



#### Hindsight

 At the expiry of a Multi Index Interest Account Segment's one-year point-topoint period, the Account's three index performances are ranked #1, #2, #3

#### Overweighting

- Works at the end of the one-year point-to-point period
- #1 index's performance is overweighted using a 70% factor
- #2 index's performance is weighted using a 30% factor
- #3 index's performance is excluded from further consideration

#### • Hindsight and Overweighting Working Together

- Policy owner and broker are not burdened with predicting at the beginning of each year which index or indices will be the best performers
- Policy owner is indifferent re which index will be #1, #2 or #3 at end of year
- #1 index always gets overweighted; #3 index always gets excluded

#### **Case Study: Hindsight and Overweighting** Domestic Multi Index Interest Account



Domestic Multi Index Interest Account. Growth Cap: 10%; 100% Participation			
	1-Year Index Growth %	Weighting	Index Interest
S&P 500®			
Composite Stock	-3%	0%	Excluded
Price Index <sup>1</sup>			
Dow Jones-UBS			
Commodity	9%	70%	6.3%
Index <sup>SM2</sup>			
Russell 2000®	5%	30%	1.5%
Index <sup>3</sup>	J /0	<b>50</b> /0	1.5 /0
Final Index Interest Credited to Account Segment's Policy Value 7.8%			

# Zurich American Life Insurance Compar

### Zurich Index UL's EDGE... Guarantee and One Year Interest Lock

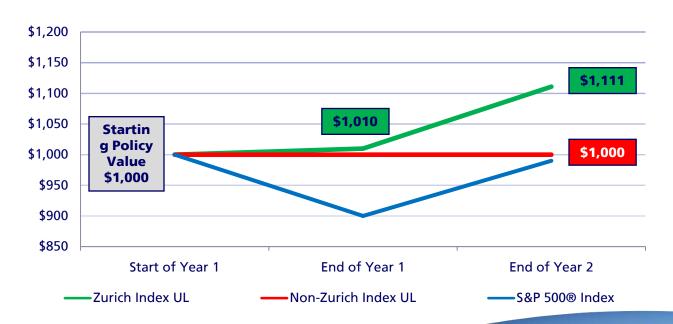


- Each Account has a Guaranteed Annual Rate of Interest Crediting
  - Guarantees prevent Account from experiencing a negative rate of interest
  - Fixed Interest Accounts
    - Long Term Fixed Interest Account: 2% Guarantee Per Year
    - Short Term Fixed Interest Account: 0% Guarantee Per Year
  - Index Interest Account
    - S&P 500® Index Interest Account: 1% Guarantee Per Year
    - Domestic Multi Index Interest Account: 0% Guarantee Per year
    - Global Multi Index Interest Account: 0% Guarantee Per Year
- Each Account has a One Year Interest Lock
  - Index interest is credited at the end of each twelve month period
  - Ensures Account Segments start fresh each year
  - Account Policy Values fully reflect last year's interest performance

# Zurich Index UL's EDGE... Case Study: One Year Interest Lock



- Compare Zurich Index UL's one-year point-to-point with annual interest lock versus competitors' multi-year point-to-point methods
- Compare two S&P 500<sup>®</sup> Index interest accounts
  - Zurich Index UL: one-year point-to-point, 1% guarantee, 11% Growth Cap, 100% Participation
  - Non-Zurich Index UL: two-year point-to-point, 0% guarantee, 13% Growth Cap, 100% Participation



#### Zurich Index UL's EDGE... Case Study: The *Growth Cap* & Its Application



Zurich Index UL's Growth Cap is applied AFTER the "Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500° Index	1%	30%	0.3%
MSCI EAFE Index <sup>4</sup>	-9%	0%	Excluded
MSCI Emerging Markets Index <sup>4</sup>	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			10.5%

This Zurich Index UL policy provision may result in significantly higher policy value growth over time

Zurich's Growth Cap is applied at the end of the Hindsight and Overweighting calculation

# Zurich American Life Insurance Compa

# Non-Zurich Index UL Product Case Study: The *Growth Cap* & Its Application



 Some Non-Zurich Index UL's Growth Caps are applied BEFORE the final year-end index interest crediting calculation

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	13%	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				4.6%

 This competitor policy practice can significantly limit the end-of-year index interest that is credited to policy value Some Non-Zurich index UL products apply the Growth Cap to the individual indices before the final interest crediting calculation

# **Zurich Index UL's EDGE...**Case Study: The *Growth Cap* & Its Application



 Zurich Index UL's Growth Cap is applied AFTER the "Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%			
	1-Year Index Growth %	Weight Ranking	Index Interest
S&P 500° Index	1%	30%	0.3%
MSCI EAFE Index	-9%	0%	Excluded
MSCI Emerging Markets Index	20%	70%	14.0%
Cumulative Index Interest Before Growth Cap is Applied			14.3%
Year-end Index Interest Credited to Account Segment's Policy Value			10.5%

 Growth Caps applied BEFORE the final year-end index interest crediting calculation The One Year Difference Zurich 10.5% Competitor 4.6%

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%					
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest	
Index #1	1%	1%	33.3%	0.3%	
Index #2	-9%	-9%	33.3%	0.0%	
Index #3	20%	13%	33.3%	4.3%	
Year-end Index Interest Credited to Account Segment's Policy Value			4.6%		

# parity

# The Zurich Index UL™ 6 Key Differentiators





- Diversity
- Hindsight
- Overweighting
- Guarantees
- One-Year Interest Lock
- Growth Cap

# Zurich American Life Insurance Compar

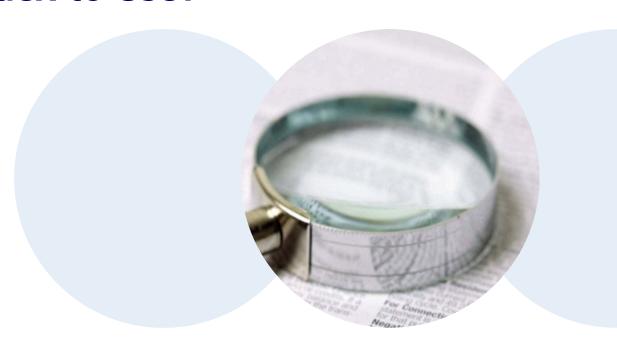
# The Zurich Index UL<sup>TM</sup> Presentation Objectives



- ☑Which Market Index to Use?
- How to Analyze Historical Performance?
- How to Responsibly Illustrate an Index UL?
- Merits of the 3 Zurich Index Interest Accounts
  - S&P 500<sup>®</sup> Index Interest Account
  - Domestic Multi Index Interest Account
  - Global Multi Index Interest Account



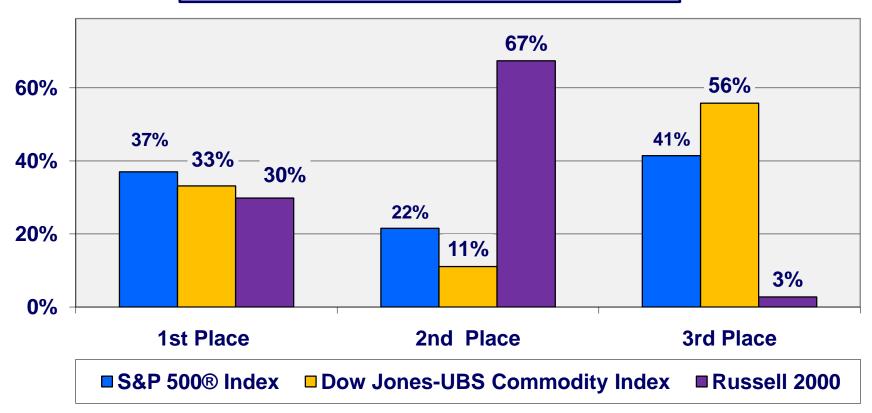
#### Which Market Index to Use?



#### Which Market Index or Indices to Use?



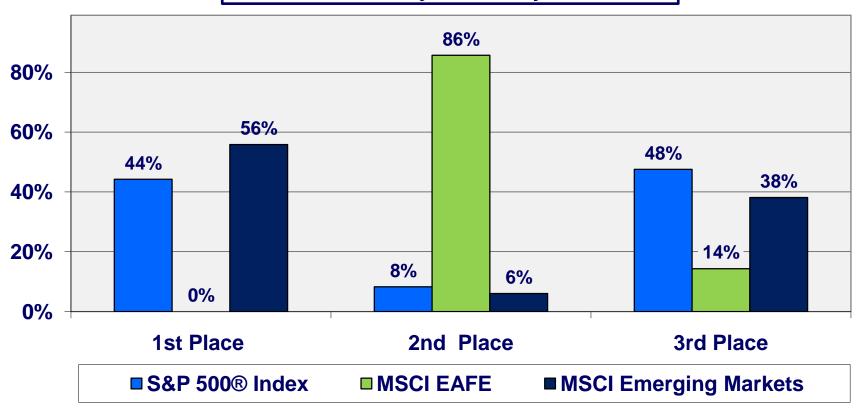
Finishing Positions of 3 U.S. Based Indices Period: May 1991 – May 2011



#### Which Market Index or Indices to Use?



Finishing Positions of 3 Global Indexes
Period: May 1991 - May 2011





# **How to Analyze Historical Performance?**

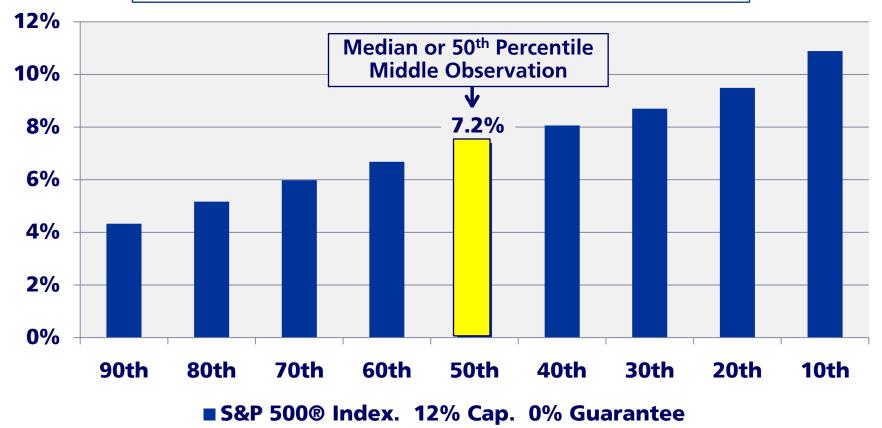
How to Responsibly Illustrate an Index UL product?



### How to Analyze Historical Performance?

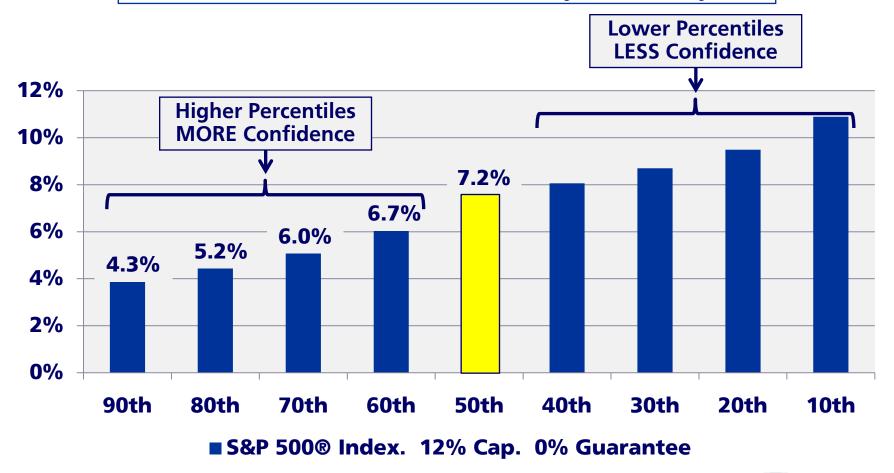
**ZURICH** 

Historical Returns: S&P 500® Index May 1991 – May 2011. 5 Year Increments Measured Monthly



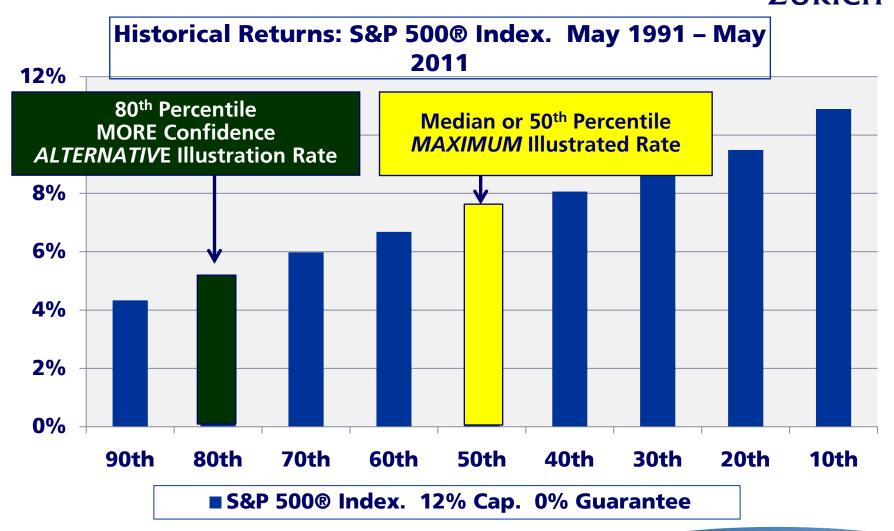
### How to Analyze Historical Performance? ZURICH®

Historical Returns: S&P 500<sup>®</sup> Index. May 1991 – May 2011



### **How to Analyze Historical Performance?**







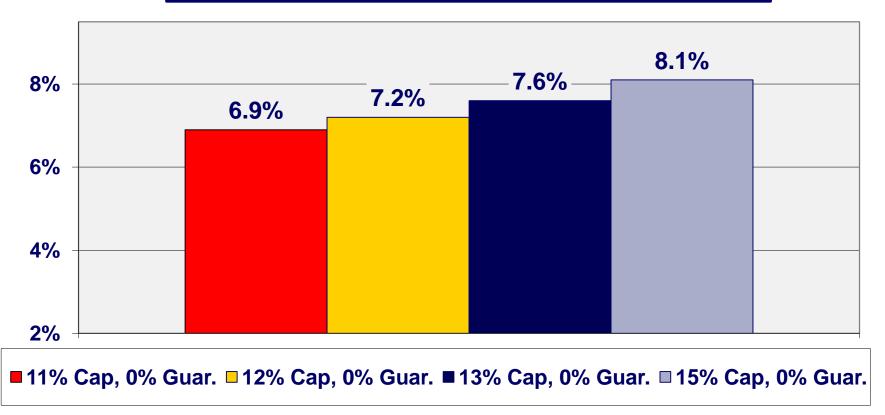
The S&P 500<sup>®</sup>
Composite Stock Price Index<sup>1</sup>



#### The S&P® 500 Index Study



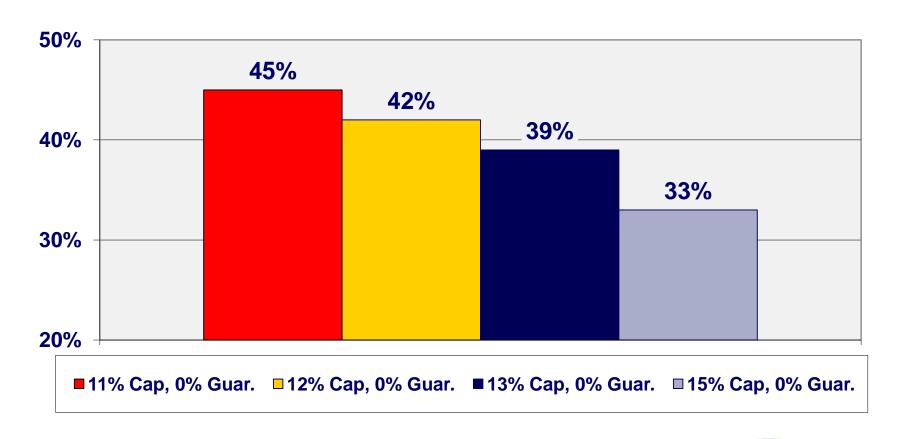
Historical Returns: 50th% Percentile or Median May 1991 - May 2011: 5 Year Increments Measured Monthly



### The S&P® 500 Index Study



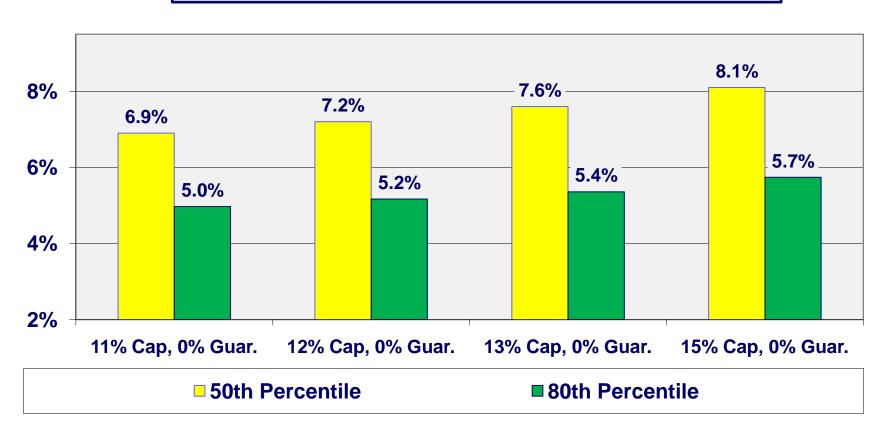
Frequency of Hitting Growth Caps: S&P 500<sup>®</sup> Index May 1991 - May 2011. 5 Year Increments Measured Monthly



#### The S&P® 500 Index Study



Historical Returns: 50<sup>th</sup> and 80th Percentiles
May 1991 - May 2011. 5 Year Increments Measured Monthly

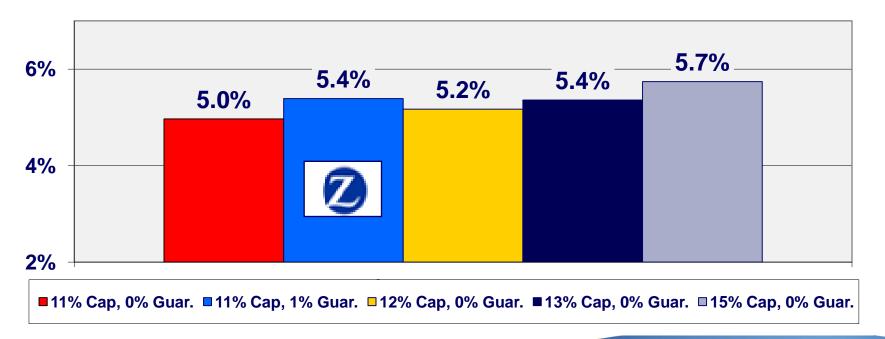


# Conclusion: Zurich Index UL<sup>TM</sup> S&P® 500 Index Interest Account



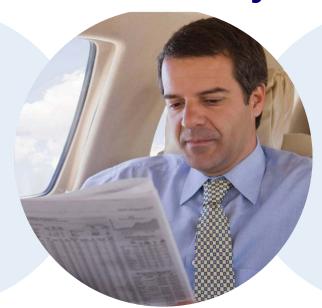
- 11% Current Growth Cap. 1% Guaranteed Annual Interest Rate
  - One Year Point-to-Point. 100% Participation Rate

Historical Returns: 80th Percentile
Study Period: May 1991 - May 2011





#### The Zurich Multi Index Interest Account Story



## Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



## **Domestic Multi Index Interest Account**

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)¹
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)2
- Russell 2000<sup>®</sup> Index (excluding dividends)<sup>3</sup>

## Global Multi Index Interest Account

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)¹
- MSCI EAFE Index (excluding dividends)<sup>4</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>4</sup>

# Zurich American Life Insurance Company

# Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



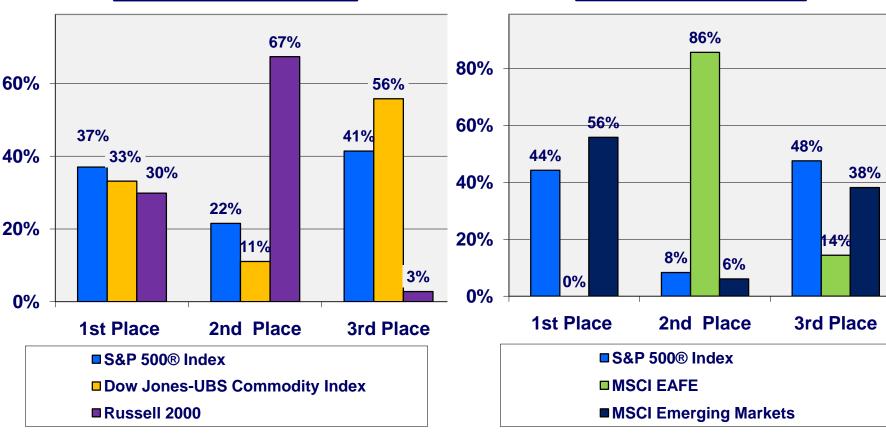
- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Performance of the 3 underlying indices are weighted
    - #1 performing index is overweighted 70%
    - #2 performing index is weighted 30%
    - #3 performing index is excluded from consideration
- Reduces Need to Predict Future Index Performance

# **Zurich Decision:** *Diversity & Performance*





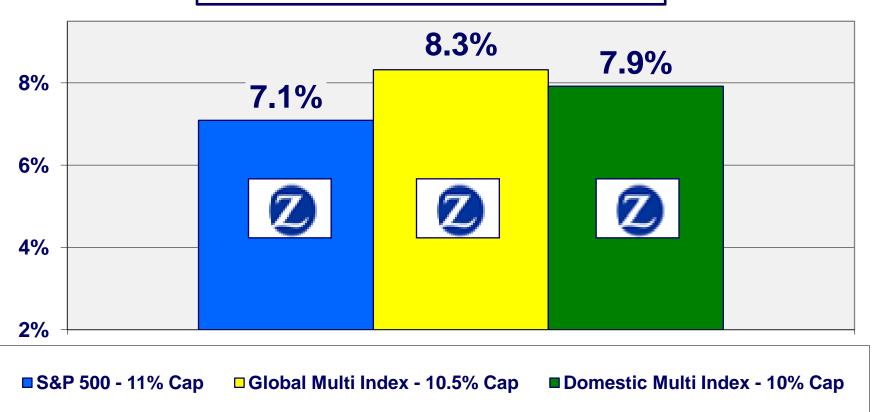
Finishing Positions
3 Global Indexes



# 3 Zurich Index Interest Accounts 50th Percentile



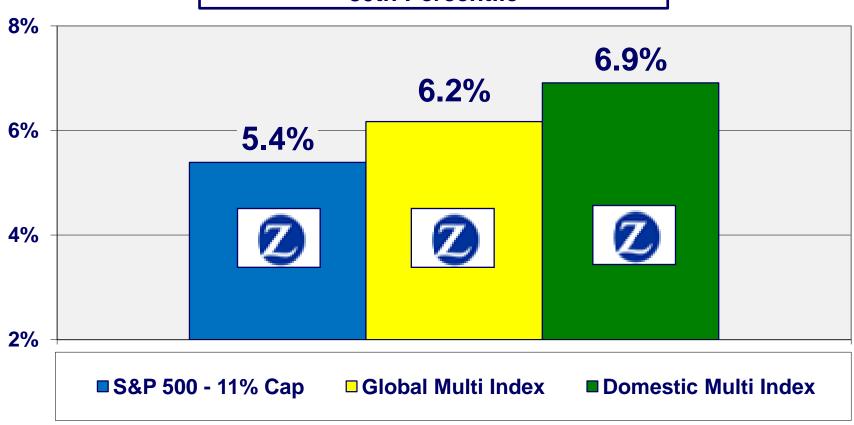
Historical Returns: May 1991 – May 2011 50<sup>th</sup> Percentile or Median



# 3 Zurich Index Interest Accounts 80th Percentile



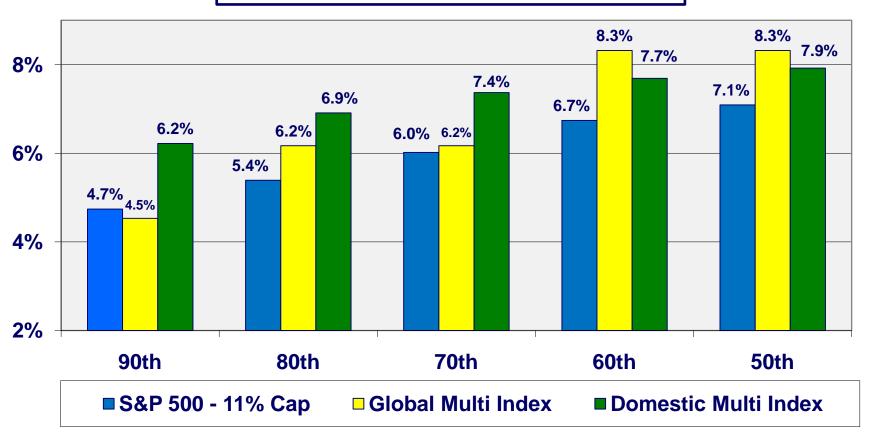




# The Zurich Multi Index Story



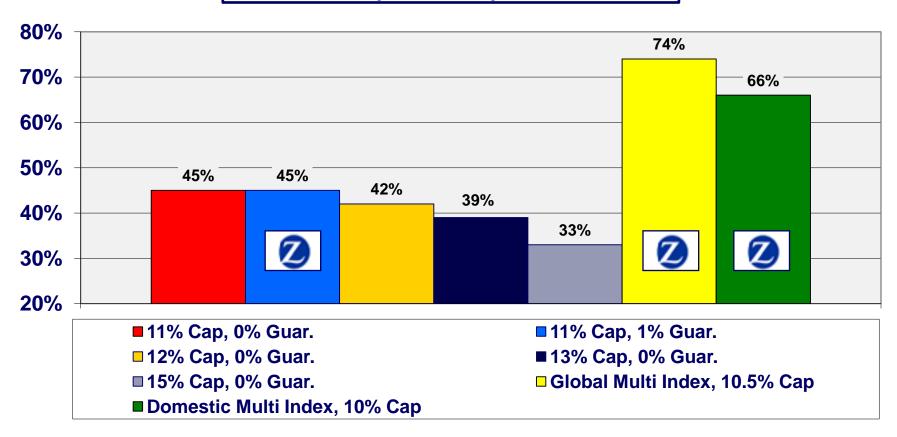
Historical Returns: May 1991 – May 2011 50th - 90th Percentile Returns



# The Zurich Multi Index Story



Frequency of Hitting Growth Caps
One-Year Point-to-Point. 100% Participation
May 1991 - May 2011



## Zurich Index UL<sup>TM</sup> 5 Interest Accounts



- 3 Index Interest Strategies
  - S&P 500<sup>®</sup> Index Interest Account
  - Domestic Multi Index Interest Account
  - Global Multi Index Interest Account
- 2 Fixed Interest Strategies
  - Long Term Fixed Interest Account
    - 2% Guaranteed Annual Interest Rate
    - One year interest rate guarantee
  - Short Term Fixed Interest Account
    - 0% Guaranteed Annual Interest Rate
    - **Current declared rate**

# **Presentation Objectives Met**



- Which Market Index to Use?
  - Seek important DIVERSITY & PERFORMANCE
- **How to Analyze an Index's Past Performance?** 
  - Study the data using the same methodology
  - Stress test past performance. Seek higher confidence
- How to Responsibly Illustrate an Index UL?
  - Always use a stress-tested alternate rate. More confidence
  - Don't just subtract X% from differing index designs
  - Outline the Merits of the Zurich Index UL TM
    - Two multi index accounts. Superior performance potential
    - A responsible product. An unsurpassed Value Proposition  $\checkmark$



# Zurich Index UL<sup>TM</sup> Multi Index Interest Accounts

**VS** 

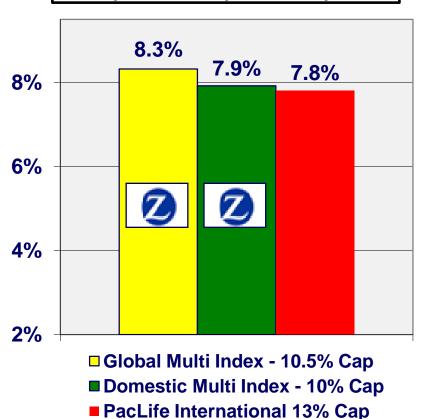
Pacific Life
1-Year International
Indexed Account



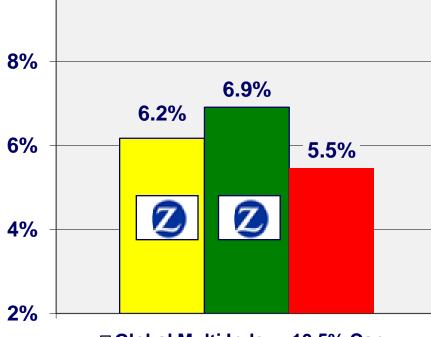
# Comparison: Multi Index Accounts 50th and 80th Confidence Percentiles



Historical Returns: 50th% Median Study Period: May 1991 - May 2011



Historical Returns: 80<sup>th</sup> Percentile Study Period: May 1991 - May 2011



□ Global Multi Index - 10.5% Cap

■ Domestic Multi Index - 10% Cap

■ PacLife International 13% Cap

# Zurich American Life Insurance Compa

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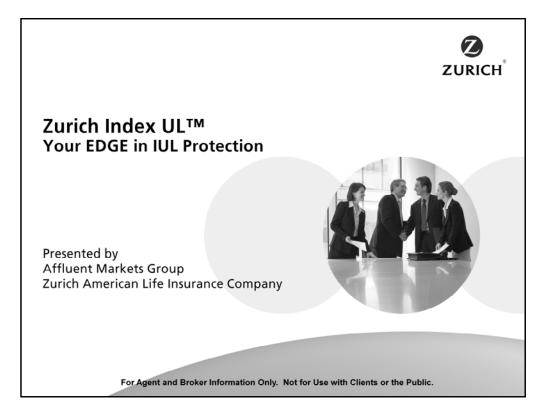
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[DENNIS] Hello, this is Dennis Roberts of the Affluent Markets Group with Zurich American Life Insurance Company.

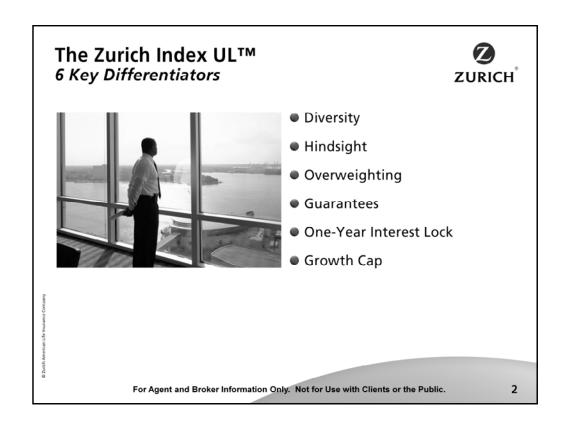
[DENNIS] I am pleased to formally introduce Zurich's new index interest UL product – the Zurich Index UL. This recorded presentation is one of several that we will be distributing in the near term featuring the Zurich Index UL, its benefits and the key provisions that truly differentiate it in the exciting, fast growing index UL product segment. Please note that this presentation is only approved for use with brokers.

[DENNIS] Today, I am joined by consulting actuary Tim Pfeifer of Pfeifer Advisory, LLC.

[DENNIS] It is clear to many industry observers that index interest UL products are in the process of becoming the industry's "new normal" as they are taking measurable market share from the more traditional guaranteed no-lapse UL and fixed interest current assumption UL product segments. Today, more and more mainstream brokers and advisors are taking a serious look, often for the first time, at the merits of index interest UL. Tim Pfeifer, what do you think is driving this remarkable product trend?

[TIM] Over the recent past, no-lapse guarantee UL products were very popular. These products guarantee pricing, very attractive long-term IRRs at death but little-to-no long-term cash surrender value. Prior to the popularity of no-lapse guarantee UL products, fixed interest current assumption UL products were very popular. All of this changed when the economy entered this period of now sustained low interest rates. As a direct result, the industry's no-lapse guarantee UL pricing has increased numerous times as the carriers attempted to protect their margins. The low interest rates also impacted the attractiveness of fixed interest current assumption UL.

[TIM] Another factor driving consumer interest in index interest UL products: the very clear consumer preference for long-term, tax-advantaged cash value build-up. This trend seems to have resulted from the financial crisis that started late in the last decade. Increasingly, index interest UL, and its cash value growth potential, is getting a closer examination by brokers and consumers for both death benefit AND cash accumulation applications.



[DENNIS] My Zurich colleagues and I carefully designed the Zurich Index UL to provide a highly differentiated product that has features and interest crediting methodologies that are well-conceived, rational and able to perform as expected over the long-term. We have repeatedly heard that our industry does not need another undistinguished index interest UL product with unbelievable illustrated crediting rates and ill-advised product features. The Zurich Index UL's EDGE is that the base policy is well—constructed and the interest crediting options are innovative, diversified and believable.

[DENNIS] There are six major factors that truly differentiate the Zurich Index UL from competing index interest UL products. These six factors make the product such an outstanding value proposition.

- DIVERSITY
- HINDSIGHT
- OVERWEIGHTING
- GUARANTEES
- ONE-YEAR INTEREST LOCK
- GROWTH CAP

[DENNIS] Tim, let's take a closer look at each of these important differentiators.

# Zurich Index UL's EDGE... Diversity



#### Opportunity for Geographic and Economic Diversity

☑ Large Cap & Small Cap.

Developed & Emerging EconomiesFixed Income & Specialty Sectors

☑ Domestic & Global

Fixed Interest Strategies

✓ Long Term Fixed Account

☑ Short Term Holding Account

Index Interest Strategies

☑ S&P 500® Index Interest Account

☑ Domestic Multi Index Interest Account

☑ Global Multi Index Interest Account

### Zurich has the ability to adapt indices as market conditions change

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3

[DENNIS] The first key product differentiator is DIVERSITY, the diversity of the interest crediting options available in the Zurich Index UL.

[DENNIS] The policy has five interest crediting options: two fixed interest accounts and three index interest account – including the product's two innovative triple index account s: the Domestic Multi Index Interest Account and the Global Multi Index Interest Account. The Zurich Index UL has unsurpassed coverage of global economies and is poised to perform in all economic conditions.

[DENNIS] Tim, why is DIVERSITY of interest crediting options important to a prospective insured?

[TIM] In a word – 'choice'. Diversity of interest crediting options gives the consumer choice – today and tomorrow – as needs evolve and as risk tolerances change over time. The Zurich Index UL's diverse set of two fixed interest strategies, its basic S&P 500 Index account and its two innovative multi index accounts gives Zurich Index UL policyholders unsurpassed choice in today's index UL market segment.

### Zurich Index UL's EDGE... Hindsight and Overweighting



#### Hindsight

At the expiry of a Multi Index Interest Account Segment's one-year point-to-point period, the Account's three index performances are ranked #1, #2, #3

#### Overweighting

- Works at the end of the one-year point-to-point period
- #1 index's performance is overweighted using a 70% factor
- #2 index's performance is weighted using a 30% factor
- #3 index's performance is excluded from further consideration

#### Hindsight and Overweighting Working Together

- Policy owner and broker are not burdened with predicting at the beginning of each year which index or indices will be the best performers
- Policy owner is indifferent re which index will be #1, #2 or #3 at end of year
- #1 index always gets overweighted; #3 index always gets excluded

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[DENNIS] The next two product differentiators – HINDSIGHT and OVERWEIGHTING – are very important standalone factors. More importantly, when HINDSIGHT and OVERWEIGHTING work in concert with one another – they really provide the Zurich Index UL with highly measurable differentiation. Let's take a closer look.

[DENNIS] Tim, Why is HINDSIGHT so important to the Zurich Index UL policy owner?

[TIM] HINDSIGHT significantly reduces the need for a Zurich Index UL policy holder to make predictions at the beginning of every year as to which index or indices will perform best over the next twelve months. Predicting next year's index performance is a most challenging if not impossible task. Few people are successful market timers.

[TIM] With Hindsight, the policy owner is content to wait until the end of the year knowing that the HINDSIGHT policy provision will automatically rank each of the indices' based on their past twelve month performances.

[DENNIS] Tim, how does OVERWEIGHTING work?

[TIM] The OVERWEIGHTING policy provision works immediately after the HINDSIGHT provision. The #1 performing index is overweighted using a 70% factor; the #2 performing index is weighted using a 30% factor and the #3 performing index is excluded from further consideration that year.

[TIM] The combination of the Zurich Index UL's HINDSIGHT and OVERWEIGHTING policy provisions can result in the Zurich Index UL being credited significantly more index interest credits than other competing index UL products.

[DENNIS] Let's take a closer look at this important policy dynamic on the next slide.

#### **Case Study: Hindsight and Overweighting** Domestic Multi Index Interest Account ZURICH Domestic Multi Index Interest Account. Growth Cap: 10%; 100% Participation 1-Year Index Weighting **Index Interest** Growth % **S&P 500® Composite Stock** -3% 0% **Excluded** Price Index<sup>1</sup> **Dow Jones-UBS** Commodity 9% 70% 6.3% Index<sup>SM2</sup> Russell 2000® 5% 30% 1.5% Index3 Final Index Interest Credited to Account Segment's Policy Value 7.8%

[DENNIS] Let's look at a hypothetical case study to more effectively illustrate the concepts of HINDSIGHT and OVERWEIGHTING. We will be looking at mechanics of the Zurich Index UL's Domestic Multi Index Interest Account, one of the product's two multi index accounts.

[DENNIS] The Domestic Multi Index Interest Account features three indices: the S&P 500 Composite Stock Price Index, the Dow Jones-UBS Commodity Index and the Russell 2000 Index.

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[DENNIS] Let's assume that Policy Value is allocated to the Domestic Multi Index Interest Account and that an account segment commences on November 15<sup>th</sup> of a particular year. One year later, at the expiry of the account segment on November 14<sup>th</sup>, the one-year point-to-point price level performances of the three underlying indices are as indicated in the chart:

- S&P 500® Composite Stock Price Index<sup>1</sup> = (-3)%
- Dow Jones-USB Commodity Index<sup>SM2</sup>= 9.0%
- Russell 2000® Index<sup>3</sup> = 5.0%.

[DENNIS] Tim, let's examine HINDSIGHT and OVERWEIGHTING in action when this account segment expires at the end of its one year life.

[Tim] As the chart indicates, the one-year point-to-point performance of the Account's three indices are ranked #1, #2 and #3 at the end of the account segment's year. This is HINDSIGHT! Wait until the end of the year and then rank the relative one-year point-to-point performance of the three indices.

[Tim] Next comes the OVERWEIGHTING. The #1 performing index's result is overweighted using a 70% factor; the #2 performing index's result is weighted using a 30% factor and the #3 performing index's performance is excluded from consideration. In the case study on the slide, the #1 index was the Dow Jones-UBS Commodity Index and its 9% performance was overweighted using a 70% factor. The #2 index was the Russell 2000 Index and its 5% performance was weighted using a 30% factor. The #3 index, the S&P 500 Index and its negative 3% performance was excluded from consideration.

[Tim] In our case study, the net result of the Zurich Index UL's hindsight and overweighting mechanics is that the account segment's year-end policy values will be credited with 7.8% of index interest.

## Zurich Index UL's EDGE... Guarantee and One Year Interest Lock



- Each Account has a Guaranteed Annual Rate of Interest Crediting
  - Guarantees prevent Account from experiencing a negative rate of interest
  - Fixed Interest Accounts
    - Long Term Fixed Interest Account: 2% Guarantee Per Year
       Short Term Fixed Interest Account: 0% Guarantee Per Year
  - Index Interest Account
    - S&P 500® Index Interest Account: 1% Guarantee Per Year
    - Domestic Multi Index Interest Account: 0% Guarantee Per year
    - Global Multi Index Interest Account: 0% Guarantee Per Year
- Each Account has a One Year Interest Lock
  - Index interest is credited at the end of each twelve month period
  - Ensures Account Segments start fresh each year
  - Account Policy Values fully reflect last year's interest performance

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6

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

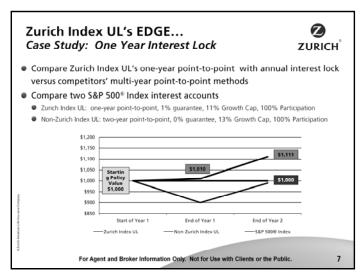
[DENNIS] Each of the Zurich Index UL's five interest accounts have a guaranteed annual rate of interest crediting. This ensures that all accounts will never be credited with a negative annual rate of interest.

[DENNIS] Three of the Zurich Index UL's five accounts – the three index interest accounts – operate on a one-year point-to-point basis. This means that at the expiry of an account segment's one-year life, excess interest is credited and locked-in.

[TIM] Why is a ONE YEAR INTEREST LOCK so important? And why does it give the Zurich Index UL meaningful differentiation.

[TIM] The ONE YEAR INTEREST LOCK is important because it ensures at the end of every year, the policy value in every index interest account segment will be credited with interest. This annual crediting permits each account segment to start afresh each year with the last twelve month's performance fully reflected in any interest credited.

[TIM] In the next several slides, the differentiating merits of Zurich's ONE YEAR INTEREST LOCK, coupled with the Hindsight/Overweight calculation operating each year, will become readily apparent. A truly powerful combination.



[DENNIS] To more effectively illustrate the benefit of the Zurich Index UL's ONE YEAR INTEREST LOCK, let's use a hypothetical two-year case study. In this study, we are going to contrast the benefit of the Zurich Index UL's one-year point-to-point crediting methodology versus the multi-year point-to-point methodologies that some non-Zurich carriers offer. The case study examines the two policies' S&P 500 Index Interest Accounts each with a 1% guarantee and an 11% or greater Growth Cap.

[DENNIS] Let's assume that a Zurich Index UL policyholder allocates \$1000 of Policy Value to the policy's S&P 500 Index Interest Account with its ONE-YEAR point-to-point crediting methodology and 1% annual guarantee. Let's further assume that a non-Zurich UL policyholder allocates \$1000 of Policy Value to his or her policy's S&P 500 account with its TWO-YEAR point-to-point crediting methodology and 0% guarantee.

[DENNIS] Tim, please walk us through this One Year Interest Lock case study

[TIM] OK, let's assume that both policies are starting year-one with \$1000 of policy values in their respective S&P 500 Index accounts. For case study purposes, let's also assume that no policy fees or loads that will be deducted from either of the policies' accounts during the case study period.

[TIM] The blue line on the slide reflects the performance of the S&P500 Index (excluding dividends) over the two-year case study period. At the end of Year 1, assume that the S&P 500 Index declined by 10% over the prior twelve months. In year two, the S&P 500 Index increased by 10% over the preceding 12 months. However, at the end of year two, the S&P 500 Index did not quite return to its starting point at the beginning of year one

[Tim] Let's now look at the performance of the Zurich Index UL' as reflected by the green line. The Zurich Index UL's policy value started at \$1,000 at the beginning of year one. Given that the S&P 500 Index declined 10% in year one, the Zurich policy values received 1% guaranteed interest at the end of year one and increased to \$1,010.

[TIM] The non-Zurich policy, depicted on the chart by the red line, did not receive any index interest crediting at the End of Year 1 given that its S&P 500 account has a two-year point-to-point structure

[TIM] Now, let's fast forward to the End of Year 2 and assume that the S&P 500 Index increased 10% over the preceding twelve months.

[TIM] The Zurich Index UL's End of Year 2 policy values will be increased by 10% to \$1,111.

The non-Zurich policy, with its two-year point-to-point crediting methodology, may also be eligible to receive an index interest credit at the End of Year 2. However, the S&P 500 Index actually declined over the two-year period. Therefore, this non-Zurich policy is not eligible for a S&P 500 Index-based adjustment and will only receive its 0% guarantee interest rate. Net result, at the end of year two, the policy value of the non-Zurich policy will be unchanged at \$1,000.

[TIM] Comparing the two policies' End of Year 2 policy value account balances, the Zurich Index UL's policy values increased over 11% versus the non-Zurich policy in just two years time.

#### Zurich Index UL's EDGE... Case Study: The Growth Cap & Its Application Zurich Index UL's Growth Cap is applied AFTER the "Hindsight" & "Overweighting" year-end calculations Global Multi Index Interest Account. Growth Cap: 10.5% 1-Year Index Growth % Weight Ranking Index Interest MSCLEAFE Index<sup>4</sup> -9% Excluded 20% 70% 14.0% MSCI Emerging Markets Index<sup>4</sup> Cumulative Index Interest Before Growth Cap is Applied 14.3% Year-end Index Interest Credited to Account Segment's Policy Value 10.5% This Zurich Index UL policy provision Zurich's Growth Cap is applied at may result in significantly higher policy the end of the Hindsight and Overweighting calculation value growth over time For Agent and Broker Information Only. Not for Use with Clients or the Public. 8

[DENNIS] The final product differentiator we will be discussing today is the Zurich Index UL's GROWTH CAP and how it is applied to the policy's two multi index accounts: the Domestic Multi Index Interest Account and the Global Multi Index Interest Account.

[DENNIS] Tim, let's take a moment and review generically what a GROWTH CAP is and how it works with an index account's 100% participation rate.

[TIM] The general concept of a GROWTH CAP is quite simple. At the end of the year, an index's point-to-point performance is measured. If the index performance is positive, the policy values will be increased at the end of the year by a percentage equal to the index's percentage growth less any guaranteed interest that may have been previously credited during the year. However, if the index's annual growth is in excess of the currently declared GROWTH CAP, the adjustment to the policy value at the end of the year will be limited, or capped, by the GROWTH CAP.

[TIM] That's the general concept of a GROWTH CAP. That said, not all policies' GROWTH CAPs work the same way. Dennis, let's take a look at the hypothical case study reflected on the slide.

[DENNIS] OK, let's return to the Zurich Index UL product and let's use the Global Multi Index Interest Account to demonstrate how its GROWTH CAP is a differentiator vs some other products offered by some other carriers.

[DENNIS] The case study on this slide assumes that the S&P 500 Index , the MSCI EAFE Index and the MSCI Emerging Markets Index grew a positive 1%, a negative 9% and positive 20% respectively. You can see that the annual returns of these three indices are fully included in the HINDSIGHT and OVERWEIGHTING formula. It is only after the HINDSIGHT and OVERWEIGHTING methodology is applied that the Account's current GROWTH CAP of 10.5% is applied. In this hypothetical example, the Zurich Global Index Interest Account segment policy value will receive an index interest credit of 10.5% at the end of the year.

[Dennis] Let's go to the next slide and see how another carrier's GROWTH CAP might be applied to a similar situation.

# Non-Zurich Index UL Product Case Study: The *Growth Cap* & Its Application



9

 Some Non-Zurich Index UL's Growth Caps are applied BEFORE the final year-end index interest crediting calculation

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%				
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest
Index #1	1%	1%	33.3%	0.3%
Index #2	-9%	-9%	33.3%	0.0%
Index #3	20%	13%	33.3%	4.3%
Year-end Index Interest Credited to Account Segment's Policy Value				4.6%

 This competitor policy practice can significantly limit the end-of-year index interest that is credited to policy value Some Non-Zurich index UL products apply the Growth Cap to the individual indices before the final interest crediting calculation

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DENNIS] This slide shows how some other carriers may apply their GROWTH CAPs on their multi index accounts.

The case facts are the same as we used on the previous slide. This non-Zurich carrier's three indices one-year point-to-point performances were identical to the Zurich indices we just saw on the prior slide: Index #1, Index #2 and Index #3 grew a positive 1%, a negative 9% and positive 20% respectively. Just to make the case study more interesting, I am also assuming that this non-Zurich product has a 13% GROWTH CAP versus the Zurich Global Multi Index GROWTH CAP of 10.5% that we just saw on the previous slide.

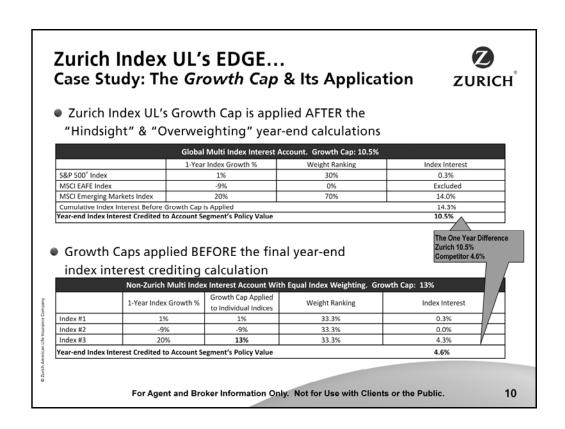
[DENNIS] Tim, let's look at how this carrier applies its GROWTH CAP.

[TIM] Well, as you indicated, the three indices' annual performances were identical to the three Zurich indices. But there the similarities stop. Focus for a moment on Index #3's 20% performance. See how this 20% performance is capped by the 13% GROWTH CAP before the other two indices' performances are considered.

[TIM] In addition, this non-Zurich product equally weights its three indices' annual performance at the end of the year on a one-third, one-third basis. That is, this product does not have the benefit of the Zurich policy's HINDSIGHT and OVERWEIGHTING mechanism.

[TIM] Bottom line: when you complete the interest crediting calculation on this non-Zurich product, its Account Segment will receive an index interest credit of 4.6% at the end of the year.

[DENNIS] It's clear to see that not all GROWTH CAPs are created equal. Let's take a quick look at the next slide to compare the two products' case study results.



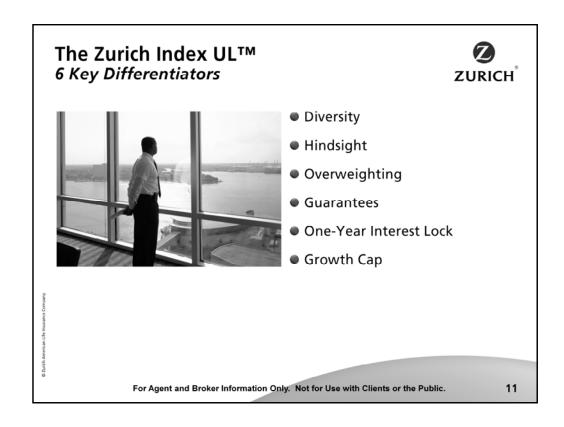
DENNIS] This slide brings the two charts from the two previous slides so that we can readily compare - side by side - the index interest crediting performances of the Zurich Index UL and some other carriers' competing products.

[DENNIS] As you can see, in this one-year case study period, the Zurich Global Multi Index Interest Account will be credited at the end of the year with a 10.5% index interest credit versus a 1.6% index interest credit on the non-Zurich product.

[DENNIS] 10.5% versus 4.6% crediting difference after only one year? Even with the non-Zurich account having a 13% GROWTH CAP? That's quite dramatic! Tim, do these results surprise you?

[TIM] The Zurich Index UL's results do not surprise me at all. First, you quickly see the positive merits of how the Zurich GROWTH CAP operates. In addition, and most importantly, what the chart above is really reflecting is how the Zurich Index UL's HINDSIGHT and OVERWEIGHTING mechanics work in concert with the Zurich GROWTH CAP and other policy provisions to deliver to the policy owner a superior end-of year crediting result.

[TIM] Dennis, recall one of your opening slides where you outlined the 6 KEY DIFFERENTIATORS of the Zurich Index UL. The real value proposition of the Zurich Index UL reflects all 6 DIFFERENTIATORS working not just individually but in concert with one another.



[DENNIS] My Zurich colleagues and I carefully designed the Zurich Index UL to provide a highly differentiated product that has features and interest crediting methodologies that are well-conceived, rational and able to perform as expected over the long-term. We have repeatedly heard that our industry does not need another undistinguished index interest UL product with unbelievable illustrated crediting rates and ill-advised product features. The Zurich Index UL's EDGE is that the base policy is well—constructed and the interest crediting options are innovative, diversified and believable.

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- DIVERSITY
- HINDSIGHT
- OVERWEIGHTING
- GUARANTEES
- ONE-YEAR INTEREST LOCK
- GROWTH CAP

[DENNIS] Tim, let's take a closer look at each of these important differentiators.

### The Zurich Index UL™ Presentation Objectives



- ✓ Which Market Index to Use?
- ☑ How to Analyze Historical Performance?
- How to Responsibly Illustrate an Index UL?
- ☑ Merits of the 3 Zurich Index Interest Accounts
  - S&P 500® Index Interest Account
  - Domestic Multi Index Interest Account
  - Global Multi Index Interest Account

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12

[DENNIS] So Tim, perhaps the key question shouldn't be: What SINGLE MARKET INDEX should be used as THE interest crediting strategy for an index UL policy? The domestic U.S. and global index data we just discussed clearly indicates the more pertinent question is WHAT MULTIPLE MARKET INDICES should be collectively considered in determining the index interest rate that gets credited to an index UL policy?

[TIM] That's exactly right. We live in a global economy. And life insurance sales professionals and their clients know it. A diversified set of domestic and global indices more completely reflects this global economy reality:

- Developed & Emerging Economies
- Large & Small Cap
- Growth & Value
- and Specialty Sectors such as Commodities.

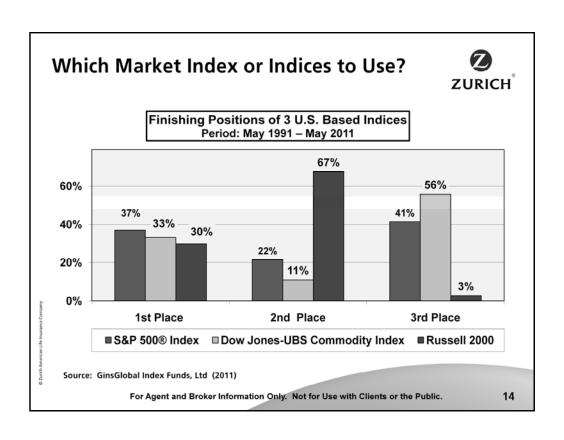
[DENNIS] Importantly, our guests today will be very interested in how the Zurich Index UL's two multi index interest accounts will, in any given year, accentuate each accounts' #1 performing index and de-emphasize its #3 performing index WITHOUT requiring the sales professional or his or her client to make ongoing index account allocation decisions at the beginning of each year.

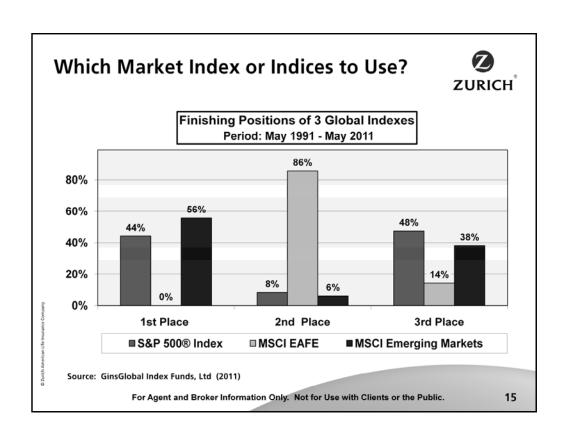


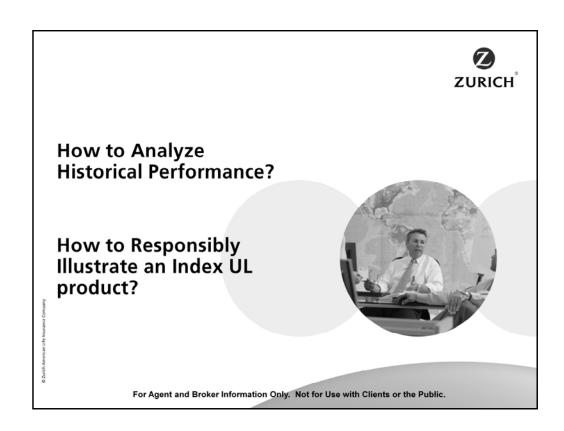
[DENNIS] OK, let's jump right into today's first presentation topic: WHICH MARKET INDEX TO USE when considering an index UL life insurance policy. Tim, what are some factors that a sales professional should consider when deciding which market index is well suited for use in an index UL product?

[TIM] At the outset of our discussion, let's be mindful that we are talking about an interest rate crediting methodology inside of a permanent, cash value life insurance policy. By its very nature, a permanent cash value life insurance product is a long-term proposition. Therefore, a policy's internal mechanics, including its interest crediting rate, should be built to deliver the long-term performance that the consumer and the sales professional expects.

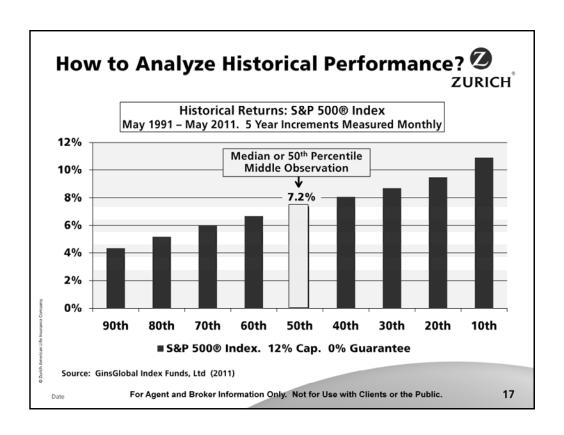
[TIM] In selecting a market index to use in a buy & hold life insurance purchase, it is important to ask if any one single index will be able to perform consistently well in the future. In my opening comments, I briefly touched on the fact that we live in a global economy. Life insurance sales professionals know this and most importantly, their affluent and mass affluent clients know this. The S&P 500 Index is an excellent U.S. large cap index. The question seems to be whether a single market index model, such as the S&P 500 Index, is most suitable, or is a mix of a number of market indices a better long-term strategy.

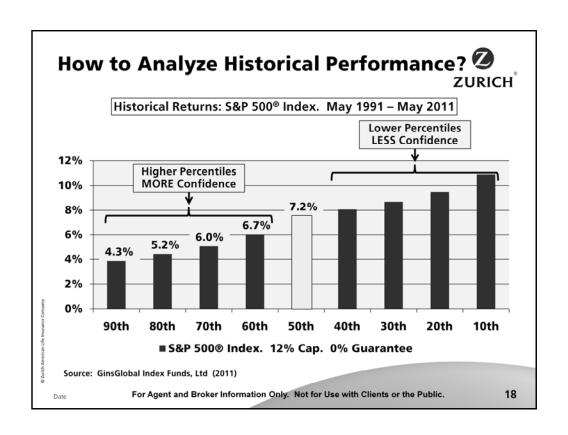


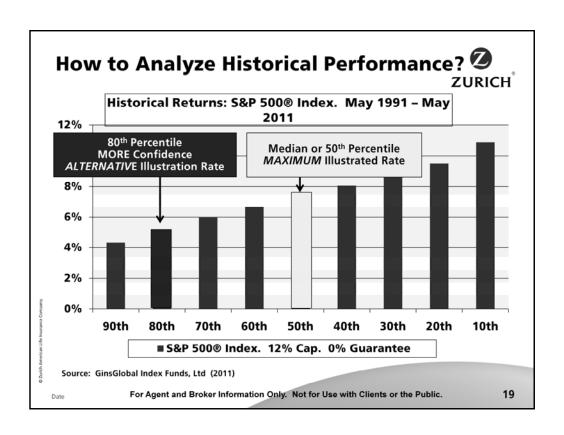




[DENNIS] OK, let's get into the topic of how to analyze the historical performance of a market index, or combination of market indices, so that we can give some guidance as to how to responsibly illustrate a new index interest UL sales illustration.

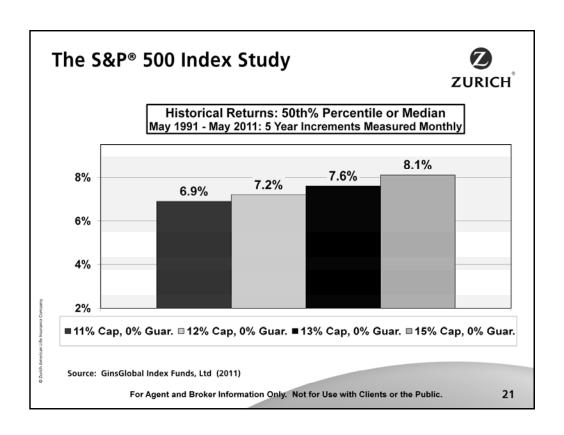


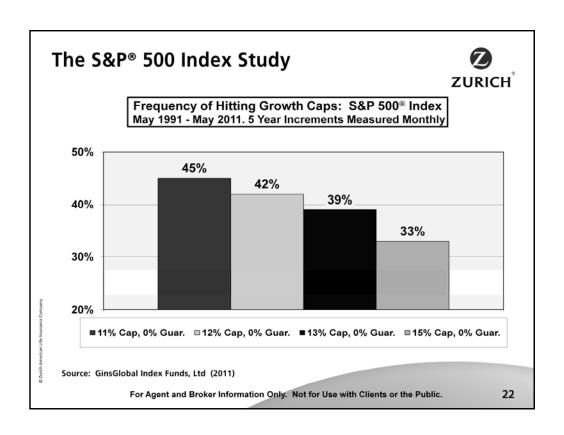


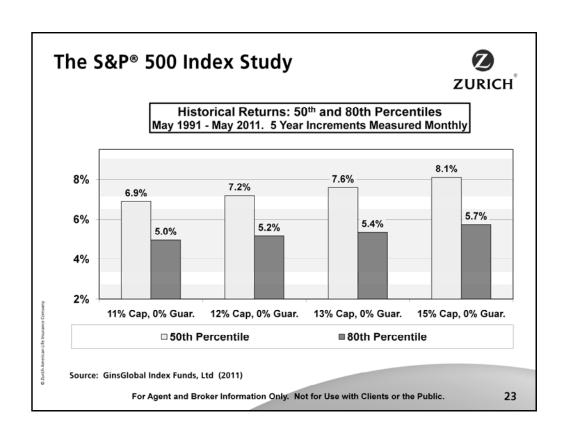


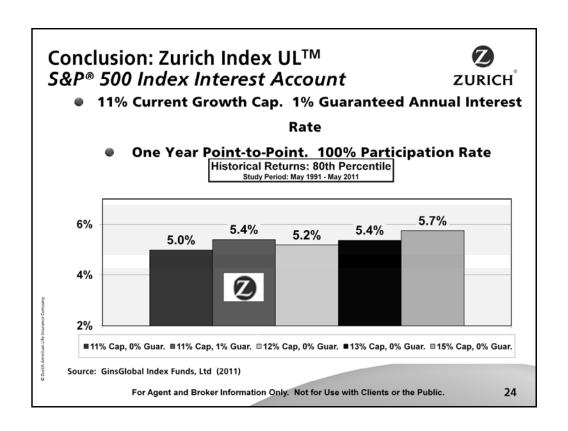


[DENNIS] It is probably a truism that every good index UL product needs to have an index interest account option that is based on the S&P 500 Index. The Zurich Index UL product also offers an S&P 500 Index interest account as one of its account options. Let's take a quick look at the general research that was conducted on the S&P500 Index that prompted us to design the Zurich S&P 500 Index Interest Account the way we did.











[DENNIS] The Zurich Index UL's most significant point of competitive differentiation may be in its two multi index interest accounts. Let's take a more in-depth look at these two accounts and the reasons for their highly measureable differentiated performance.

## Zurich Index UL<sup>™</sup> 2 Multi Index Interest Accounts



#### Domestic Multi Index Interest Account

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)1
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)2
- Russell 2000® Index (excluding dividends)3

#### Global Multi Index Interest Account

3 Underlying Indices

- S&P 500® Composite Stock Price Index (excluding dividends)¹
- MSCI EAFE Index (excluding dividends)<sup>4</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>4</sup>

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26

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

[DENNIS] Each of the Zurich Index UL's five interest accounts have a guaranteed annual rate of interest crediting. This ensures that all accounts will never be credited with a negative annual rate of interest.

[DENNIS] Three of the Zurich Index UL's five accounts – the three index interest accounts – operate on a one-year point-to-point basis. This means that at the at the expiry of an account segment's one-year life, excess interest is credited and locked-in.

[TIM] Why is a ONE YEAR INTEREST LOCK so important? And why does it give the Zurich Index UL meaningful differentiation.

[TIM] The ONE YEAR INTEREST LOCK is important because in ensures at the end of every year, the policy value in every index interest account segment will be credited with excess interest. This annual crediting permits each account segment to start afresh each year with the last twelve month's performance fully reflected in any interest credited.

[TIM] In the next several slides, the differentiating merits of Zurich's ONE YEAR INTEREST LOCK will become readily apparent

## Zurich Index UL<sup>™</sup> 2 Multi Index Interest Accounts



- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Performance of the 3 underlying indices are weighted
    - #1 performing index is overweighted 70%
    - #2 performing index is weighted 30%
    - #3 performing index is excluded from consideration
- Reduces Need to Predict Future Index Performance

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27

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

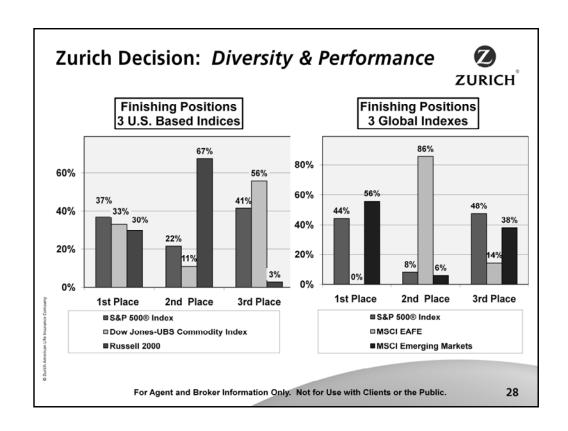
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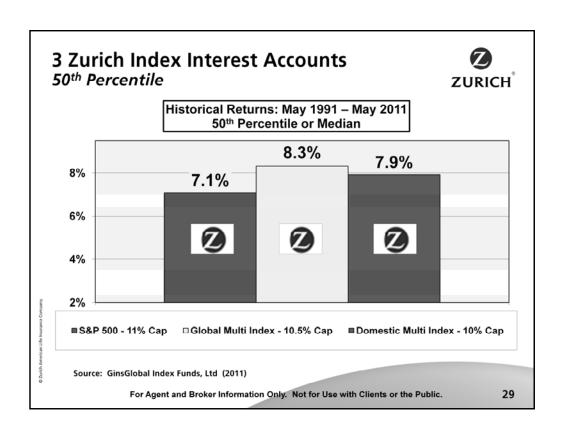


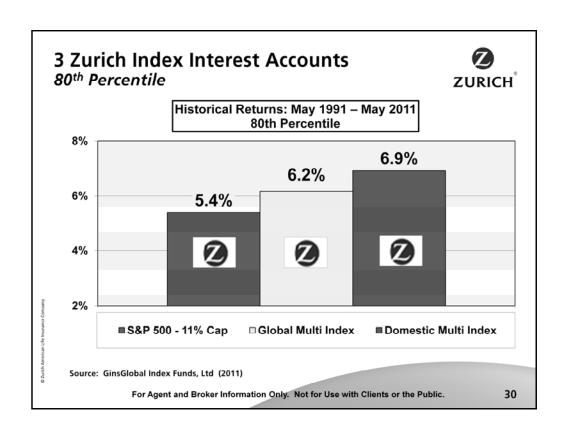
[Dennis] In closing, thank you for investing time with us today to hear this overview of the Zurich Index UL. My Zurich colleagues and I believe that we have delivered to you a highly differentiated product that will help you compete in the fast growing index UL product segment. We look forward to working with you as together we bring the Zurich Index UL to the market.

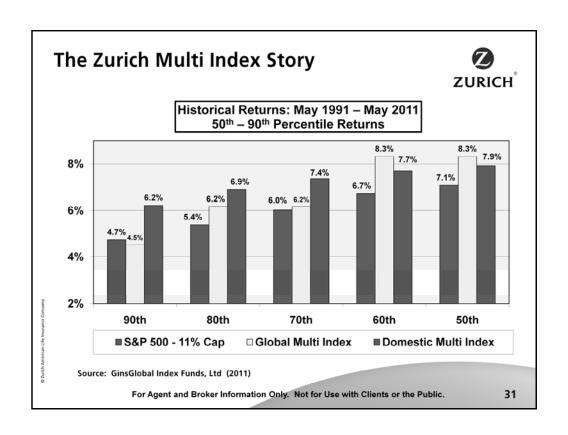
[Dennis] Over the next few weeks, my Zurich colleagues and I will be delivering to you additional important materials – printed and electronic – to help you confidently understand and tell the Zurich Index UL story.

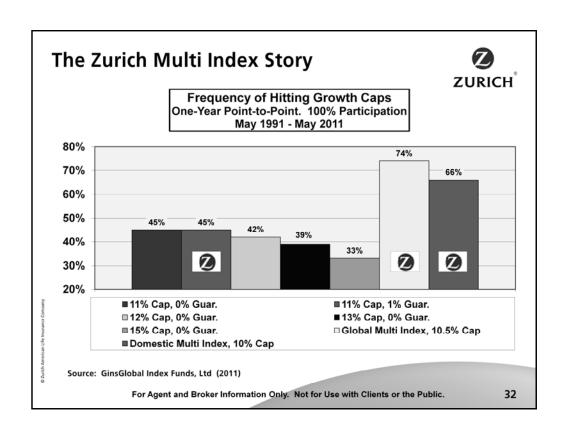
[Dennis] If you have any questions, or would like additional information including an electronic copy of today's presentation. please contact your Zurich BGA or any member of our Zurich Sales & Marketing Team.

[Dennis] Thank you for your consideration of the Zurich Index UL. We appreciate your business. This presentation is now concluded.









## Zurich Index UL™ 5 Interest Accounts



- 3 Index Interest Strategies
  - S&P 500® Index Interest Account
  - Domestic Multi Index Interest Account
  - Global Multi Index Interest Account
- 2 Fixed Interest Strategies
  - Long Term Fixed Interest Account
    - 2% Guaranteed Annual Interest Rate
    - One year interest rate guarantee
  - Short Term Fixed Interest Account
    - 0% Guaranteed Annual Interest Rate
    - Current declared rate

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33

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

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#### **Presentation Objectives Met**



- Which Market Index to Use?
  - ☑ Seek important DIVERSITY & PERFORMANCE
- How to Analyze an Index's Past Performance?
  - Study the data using the same methodology
  - Stress test past performance. Seek higher confidence
- How to Responsibly Illustrate an Index UL?
  - ✓ Always use a stress-tested alternate rate. More confidence
  - ☑ Don't just subtract X% from differing index designs
- Outline the Merits of the Zurich Index UL TM
  - ☑ Two multi index accounts. Superior performance potential
  - ☑ A responsible product. An unsurpassed Value Proposition

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34

[DENNIS] We started today's presentation with a set of objectives.

[DENNIS] First, we asked WHICH MARKET INDEX TO USE? We discussed that we all live in a global economy and that life insurance sales professionals and their clients know it. A diversified set of domestic and global indices more completely reflects this global economy reality.

[TIM] We then discussed how to effectively ANALYZE AN INDEX'S PAST PERFORMANCE. I underscored that it is important to study a long period of time and that the same consistent study methodology be used. I recommended at least a twenty year study period and the use of five-year rolling increments of time.

[TIM] We discussed how a well-advised sales professional should RESPONSIBLY ILLUSTRATE a forward-looking index UL product. Remember the wise man. Go to the left hand side and get a higher confidence rate – such as the 80<sup>th</sup> percentile – and use that rate as your principal or your alternative illustration rate.

[DENNIS] Finally, we proved with real, stress-tested historical index returns that the Zurich Index UL's two multi index accounts offer the potential for outstanding and highly differentiated index account performance.



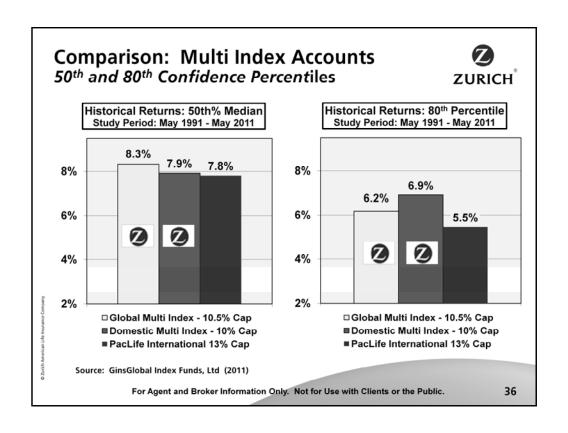
### Zurich Index UL™ Multi Index Interest Accounts

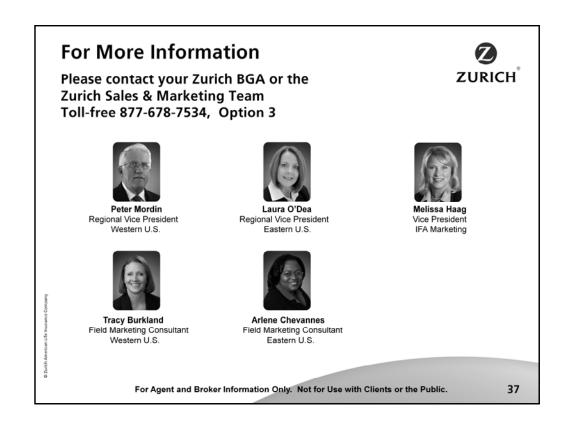
٧S

Pacific Life 1-Year International Indexed Account



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[Dennis] In closing, thank you for investing time with us today to hear this overview of the Zurich Index UL index account options. My Zurich colleagues and I believe that we have delivered to you a highly differentiated product that will help you compete in the fast growing index UL product segment. We look forward to working with you as together we bring the Zurich Index UL to the market.

[Dennis] Over the next few weeks, my Zurich colleagues and I will be delivering to you additional important materials – printed and electronic – to help you confidently understand and tell the Zurich Index UL story.

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[Dennis] Thank you for your consideration of the Zurich Index UL. We appreciate your business. This presentation is now concluded.

#### **Important Disclosures**



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The terms and conditions for flexible premium adjustable life insurance policy with index-linked interest options are set forth in policy number ICC11-IUL121-01, or applicable state variation. The policy is issued by Zurich American Life Insurance Company. It is subject to the laws of the state where it is issued. This material is a summary of the product features only. Please read the policy carefully for full details.

Insurance coverages underwritten by Zurich American Life Insurance Company, an Illinois domestic stock life insurance company. Certain coverages may not be available in all states and policy provisions may vary by state.

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## **Zurich Global Life – Affluent Markets Group** Helping you build your business

Dunhill Marketing & Insurance Services, Inc.
October 2011



Presented by
Peter Mordin, Regional Vice President, Western Region
Zurich American Life Insurance Company

### **Agenda**



- Introductions
- Zurich American Life Insurance Company, Who We Are
- International Underwriting Capabilities
- Product Introduction Zurich Index UL™

## **Global Life's Affluent Markets**



Part of Zurich Financial Services (Zurich) – a global insurer



- Nearly 140 years of insurance experience Headquartered in Zurich, Switzerland
- Well-balanced business portfolio
   Geographically & by line of business
- 60,000 employees. Clients in 170+ countries
- Member: 2009 Fortune Magazine Global 500

### **Strategic Mission**

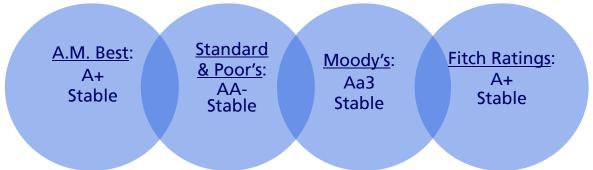
Zurich Financial Services has emerged as a global leader in the industry by remaining focused on **financial and underwriting discipline**, **operating efficiency and robust risk management** – preparing us to succeed in any market environment.

### **Zurich Financial Services**

## **Z**URICH<sup>®</sup>

### **Financial strength**

- One of the world's largest insurance groups
- Operating profit: \$4.9 billion<sup>1</sup>
- Shareholders' equity \$32 billion<sup>1</sup>
- Consecutive quarters of profitability<sup>2</sup>
  - Exposure to U.S. subprime is very small
  - Exited credit default swaps market in 2003 with no residual exposure
- Strong insurer industry financial strength ratings<sup>3</sup>



<sup>&</sup>lt;sup>1</sup>As of December 31, 2010

<sup>&</sup>lt;sup>2</sup>Visit <u>www.zurich.com</u> for updated information

<sup>&</sup>lt;sup>3</sup>Ratings assigned to Zurich Insurance Company – Zurich's main operating legal entity – as of March 2011. For more financial and rating information on Zurich please access www.zurich.com

## Zurich American Life Insurance Company

## Zurich Global Life Affluent Markets Group



- Target Market:
  - U.S. high net-worth individuals and business owners
  - Estate planning and business insurance
- Niche Markets:
  - \$20 million retention
  - International underwriting capabilities
  - Professional athletes program
- Issuing Carrier<sup>1</sup>:
  - Zurich American Life Insurance Company<sup>2</sup>
  - A.M. Best: A- (Excellent<sup>3</sup>), Standard & Poor's: A- (Strong<sup>4</sup>)
     Moody's: A3 (Good<sup>5</sup>)

Insurance product obligations are the sole responsibility of each issuing company. Only the assets of the local issuing insurance company (and no other assets of the Zurich Financial Services Group) are available to meet its obligations for the performance of its products.

<sup>&</sup>lt;sup>2</sup> Zurich American Life Insurance Company is an Illinois domestic stock life insurance company (formerly known as Kemper Investors Life Insurance Company). Not licensed to do business in the State of New York.

<sup>&</sup>lt;sup>3</sup> Effective June 2011.

<sup>&</sup>lt;sup>4</sup> Effective November 2010.

<sup>&</sup>lt;sup>5</sup> Effective June 2011.

## Zurich American Life Insurance Compan

## International underwriting capabilities With up to \$20 million of retention<sup>1</sup> for "world citizens"



World citizen interested in a significant U.S. life insurance transaction

Four proposed insured categories:

- 1. U.S. citizens
  - Resides in U.S. more than six months of the year
- 2. Green card holder (U.S. permanent resident)

Must provide card number and have been residing in U.S. for at least past six months

- 3. Visa holders
  - Reside full-time in U.S. on valid work visa
- 4. Foreign nationals<sup>2</sup>

Those not qualifying under previous categories or those on a visitor's visa (short stay)

## Zurich American Life Insurance Compar

## Challenge: "World Citizens" Case study #1



Desire for large amount of coverage on Israeli citizen at competitive rates

- 60-year old Israeli citizen living in Tel Aviv
- Owns house and business in U.S.
- Visits 2 months out of the year
- History of elevated cholesterol taking Lipitor
- Two problems:
  - Companies reduce internal retention significantly on foreign national clients
  - 2. Exclusion of residents of Israel from qualifying for Preferred rates

## **Surich American Life Insurance Company**

## Solution for "World Citizens" Case study #1



Zurich American Life's retention <sup>1</sup> and Israel country classification

- Zurich continues to offer full \$20 million retention
- Classify Israel as an "A" class with Preferred Best rates <sup>2</sup>
- U.S. entity must be the owner
- All solicitation and completion of the application and exam must be done in U.S.
- Policy must be delivered in U.S.
- Billing notices to be mailed to U.S. address; payment must be drawn on U.S. bank
- For updates, go to www.zlifeusa.com



<sup>&</sup>lt;sup>2</sup> Exceptions may apply for certain regions.



## Zurich American Life Insurance Company

## Challenge: "World Citizens" Case study #2



Argentinian citizen needs \$20,000,000 of life insurance coverage

- 45-year old male Argentinian citizen living in Buenos Aires
- Owns business in Buenos Aires
- Owns house in Florida for past 5 years
- Visits U.S. 3-4X a year for 1-2 weeks

#### **CHALLENGE:**

Many companies will not entertain applications on Argentine Foreign Nationals due to solicitation laws

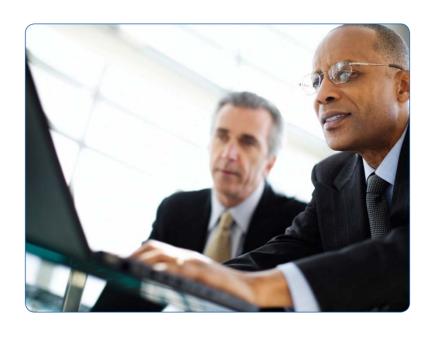
## **2urich American Life Insurance Company**

## Solution for "World Citizens" Case study #2



Zurich American Life's retention <sup>1</sup> and Argentina country classification

- Zurich continues to offer full \$20 million retention
- Classify Argentina as an "A" class with Preferred Best rates
- U.S. entity must be the owner
- All solicitation and completion of the application and exam must be done in U.S.
- Policy must be delivered in U.S.
- Billing notices to be mailed to U.S. address; payment must be drawn on U.S. bank
- For updates, go to www.zlifeusa.com



# parity

## The Zurich Index UL™ 6 Key Differentiators





- Diversity
- Hindsight
- Overweighting
- Guarantees
- One-Year Interest Lock
- Growth Cap

## Zurich Index UL's EDGE... Diversity



- Opportunity for Geographic and Economic Diversity
  - ✓ Developed & Emerging Economies
  - ✓ Large Cap & Small Cap.
    ✓ Fixed Income & Specialty Sectors
- ✓ Domestic & Global
- Fixed Interest Strategies
  - ✓ Long Term Fixed Account
    ✓ Short Term Holding Account
- Index Interest Strategies
  - ☑ S&P 500® Index Interest Account ☑ Domestic Multi Index Interest Account
  - ☑ Global Multi Index Interest Account
- Zurich has the ability to adapt indices as market conditions change

## Zurich Index UL<sup>TM</sup> 5 Interest Accounts



### 3 Index Interest Strategies

- S&P 500<sup>®</sup> Index Interest Account
- Domestic Multi Index Interest Account
- Global Multi Index Interest Account

### 2 Fixed Interest Strategies

- Long Term Fixed Interest Account
  - 2% Guaranteed Annual Interest Rate
  - One year interest rate guarantee
- Short Term Fixed Interest Account
  - 0% Guaranteed Annual Interest Rate
  - Current declared rate

## Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



#### **Domestic Multi Index Interest Account**

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)¹
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)<sup>2</sup>
- Russell 2000<sup>®</sup> Index (excluding dividends)<sup>3</sup>

### Global Multi Index Interest Account

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)¹
- MSCI EAFE Index (excluding dividends)<sup>4</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>4</sup>

## Zurich American Life Insurance Compan

## Zurich Index UL<sup>TM</sup> 2 Multi Index Interest Accounts



- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Performance of the 3 underlying indices are weighted
     #1 performing index is overweighted 70%
     #2 performing index is weighted 30%
     #3 performing index is excluded from consideration
- Reduces Need to Predict Future Index Performance

## Zurich American Life Insurance Company

## Zurich Index UL's EDGE... Guarantee and One Year Interest Lock

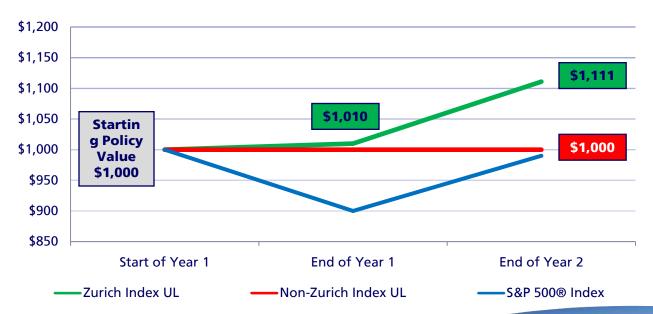


- Each Account has a Guaranteed Annual Rate of Interest Crediting
  - Guarantees prevent Account from experiencing a negative rate of interest
  - Fixed Interest Accounts
    - Long Term Fixed Interest Account: 2% Guarantee Per Year
    - Short Term Fixed Interest Account: 0% Guarantee Per Year
  - Index Interest Account
    - S&P 500® Index Interest Account: 1% Guarantee Per Year
    - Domestic Multi Index Interest Account: 0% Guarantee Per year
    - Global Multi Index Interest Account: 0% Guarantee Per Year
- Each Account has a One Year Interest Lock
  - Index interest is credited at the end of each twelve month period
  - Ensures Account Segments start fresh each year
  - Account Policy Values fully reflect last year's interest performance

## Zurich Index UL's EDGE.... Case Study: One Year Interest Lock



- Compare Zurich Index UL's one-year point-to-point with annual interest lock versus competitors' multi-year point-to-point methods
- Compare two S&P 500® Index interest accounts
  - Zurich Index UL: one-year point-to-point, 1% guarantee, 11% Growth Cap, 100% Participation
  - Non-Zurich Index UL: two-year point-to-point, 0% guarantee, 13% Growth Cap, 100% Participation



# **Zurich Index UL's EDGE...**Case Study: The *Growth Cap* & Its Application



 Zurich Index UL's Growth Cap is applied AFTER the "Hindsight" & "Overweighting" year-end calculations

Global Multi Index Interest Account. Growth Cap: 10.5%						
	1-Year Index Growth %	Weight Ranking	Index Interest			
S&P 500° Index	1%	30%	0.3%			
MSCI EAFE Index	-9%	0%	Excluded			
MSCI Emerging Markets Index	20%	70%	14.0%			
Cumulative Index Interest Before	14.3%					
Year-end Index Interest Credited t	10.5%					

 Growth Caps applied BEFORE the final year-end index interest crediting calculation The One Year Difference Zurich 10.5% Competitor 4.6%

Non-Zurich Multi Index Interest Account With Equal Index Weighting. Growth Cap: 13%					
	1-Year Index Growth %	Growth Cap Applied to Individual Indices	Weight Ranking	Index Interest	
Index #1	1%	1%	33.3%	0.3%	
Index #2	-9%	-9%	33.3%	0.0%	
Index #3	20%	13%	33.3%	4.3%	
Year-end Index Inter	4.6%				

# American Life Insurance Company

# The Zurich Index UL™ 6 Key Differentiators





- Diversity
- Hindsight
- Overweighting
- Guarantees
- One-Year Interest Lock
- Growth Cap

### **For More Information**





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# Zurich Global Life – Affluent Markets Group Helping you build your business

Dunhill Marketing & Insurance Services, Inc. October 2011



Presented by
Peter Mordin, Regional Vice President, Western Region
Zurich American Life Insurance Company

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[DENNIS] Hello, this is Dennis Roberts of the Affluent Markets Group with Zurich American Life Insurance Company.

[DENNIS] I am pleased to formally introduce Zurich's new index interest UL product – the Zurich Index UL. This recorded presentation is one of several that we will be distributing in the near term featuring the Zurich Index UL, its benefits and the key provisions that truly differentiate it in the exciting, fast growing index UL product segment. Please note that this presentation is only approved for use with brokers.

[DENNIS] Today, I am joined by consulting actuary Tim Pfeifer of Pfeifer Advisory, LLC.

[DENNIS] It is clear to many industry observers that index interest UL products are in the process of becoming the industry's "new normal" as they are taking measurable market share from the more traditional guaranteed no-lapse UL and fixed interest current assumption UL product segments. Today, more and more mainstream brokers and advisors are taking a serious look, often for the first time, at the merits of index interest UL. Tim Pfeifer, what do you think is driving this remarkable product trend?

[TIM] Over the recent past, no-lapse guarantee UL products were very popular. These products guarantee pricing, very attractive long-term IRRs at death but little-to-no long-term cash surrender value. Prior to the popularity of no-lapse guarantee UL products, fixed interest current assumption UL products were very popular. All of this changed when the economy entered this period of now sustained low interest rates. As a direct result, the industry's no-lapse guarantee UL pricing has increased numerous times as the carriers attempted to protect their margins. The low interest rates also impacted the attractiveness of fixed interest current assumption UL.

[TIM] Another factor driving consumer interest in index interest UL products: the very clear consumer preference for long-term, tax-advantaged cash value build-up. This trend seems to have resulted from the financial crisis that started late in the last decade. Increasingly, index interest UL, and its cash value growth potential, is getting a closer examination by brokers and consumers for both death benefit AND cash accumulation applications.

#### Agenda



- Introductions
- Zurich American Life Insurance Company, Who We Are
- International Underwriting Capabilities
- Product Introduction Zurich Index UL<sup>™</sup>

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# Part of Zurich Financial Services (Zurich) – a global insurer Nearly 140 years of insurance experience Headquartered in Zurich, Switzerland Well-balanced business portfolio Geographically & by line of business 60,000 employees. Clients in 170+ countries Member: 2009 Fortune Magazine Global 500 Strategic Mission Zurich Financial Services has emerged as a global leader in the industry by remaining focused on financial and underwriting discipline, operating efficiency and robust risk management – preparing us to succeed in any market environment.

Founded in 1872, Zurich Financial Services Group (Zurich) is headquartered in Zurich, Switzerland.

Zurich is an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets.

It employs approximately 60,000 people serving customers in more than 170 countries.

Zurich combines strong market positions in personal, commercial and corporate insurance on both sides of the Atlantic with strengthening positions in Asia and key emerging markets. We use our global reach across all lines of business. Our customers benefit from our ability to underwrite and provide services on many fronts, and from the combination of our international expertise, global strength and detailed local knowledge.

http://money.cnn.com/magazines/fortune/global500/2009/full\_list/201\_300.html

http://money.cnn.com/magazines/fortune/global500/2009/snapshots/7745.html

#### **Zurich Financial Services** Financial strength One of the world's largest insurance groups Operating profit: \$4.9 billion<sup>1</sup> Shareholders' equity \$32 billion<sup>1</sup> Consecutive quarters of profitability<sup>2</sup> Exposure to U.S. subprime is very small Exited credit default swaps market in 2003 with no residual exposure Strong insurer industry financial strength ratings<sup>3</sup> <u>Standard</u> A.M. Best: Fitch Ratings: Moody's: & Poor's: Aa3 AA-Stable Stable Stable Stable As of December 31, 2010 Visit www.zurich.com for updated information <sup>3</sup>Ratings assigned to Zurich Insurance Company – Zurich's main operating legal entity – as of March 2011. For more financial and rating information on Zurich please access www.zurich.c For Agent and Broker Information Only. Not for Use with Clients or the Public. 4

Zurich Financial Services Group (Zurich) continues to report solid operating performance, with balance sheet strength and solvency margins at near-record levels, and continued profitable growth in Global Life and Farmers underpinning the Group's 27th consecutive quarter of profitability.

Business operating profit for the discrete third quarter 2009 was USD 1.5 billion, a 138% increase over the same prior-year quarter, with net income 1 of USD 909 million, a 490% increase over the same prior-year quarter. Both figures represent the fourth consecutive quarter-on-quarter improvement since the third quarter 2008.

Nine-month performance highlights include:

Business operating profit (BOP) of USD 4.1 billion, down 3% but an increase of 2% as measured in local currencies, with all core operating segments improving on a local currency basis. Annualized BOP ROE3 after tax of 16.9%

Net income of USD 2.2 billion, a decrease of 24%. Annualized return on equity (ROE) of 11.6%

General Insurance gross written premiums and policy fees of USD 26.3 billion, down 10% or 3% in local currencies, and an improved combined ratio of 96.9%

Global Life new business value  $\frac{4}{3}$ , after tax, of USD 520 million, up 2% or 11% in local currencies. New business margin, after tax (as % of APE), of 21.8%, with APE up 5% or 17% in local currencies

Farmers Management Services' management fees and other related revenues up 8% to USD 2.0 billion, with business operating profit also up 8% to USD 992 million

Shareholders' equity of USD 28.5 billion, an increase of 29% over year end 2008, boosting the Group's solvency position to 209%.

#### **Zurich Global Life Affluent Markets Group**



- Target Market:
  - U.S. high net-worth individuals and business owners
  - Estate planning and business insurance
- Niche Markets:
  - \$20 million retention
  - International underwriting capabilities
  - Professional athletes program
- Issuing Carrier<sup>1</sup>:
  - Zurich American Life Insurance Company<sup>2</sup>
  - A.M. Best: A- (Excellent3), Standard & Poor's: A- (Strong4) Moody's: A3 (Good<sup>5</sup>)

Insurance product obligations are the sole responsibility of each issuing company. Only the assets of the local issuing insurance company (and no other assets of the Zurich Financial Services Group) are available to meet its obligations for the performance of its products.

Zurich American Life Insurance Company is an Illinois domestic stock life insurance company (formerly known as Kemper Investors Life Insurance Company). Not licensed to do business in the State of New York.

Effective June 2011.

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# International underwriting capabilities With up to \$20 million of retention<sup>1</sup> for "world citizens"



World citizen interested in a significant U.S. life insurance transaction

Four proposed insured categories:

#### 1. U.S. citizens

Resides in U.S. more than six months of the year

#### 2. Green card holder (U.S. permanent resident)

Must provide card number and have been residing in U.S. for at least past six months

#### 3. Visa holders

Reside full-time in U.S. on valid work visa

#### 4. Foreign nationals<sup>2</sup>

Those not qualifying under previous categories or those on a visitor's visa (short stay)

1\$20 million per life. Certain age and sub-standard restrictions apply.

Foreign nationals that do not reside in the U.S. must meet Zurich's business acceptance criteria.

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6

# Challenge: "World Citizens" Case study #1



Desire for large amount of coverage on Israeli citizen at competitive rates

- 60-year old Israeli citizen living in Tel Aviv
- Owns house and business in U.S.
- Visits 2 months out of the year
- History of elevated cholesterol taking Lipitor
- Two problems:
  - 1. Companies reduce internal retention significantly on foreign national clients
  - 2. Exclusion of residents of Israel from qualifying for Preferred rates

h American Life

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# Solution for "World Citizens" Case study #1



Zurich American Life's retention <sup>1</sup> and Israel country classification

- Zurich continues to offer full \$20 million retention
- Classify Israel as an "A" class with Preferred Best rates <sup>2</sup>
- U.S. entity must be the owner
- All solicitation and completion of the application and exam must be done in U.S.



- Policy must be delivered in U.S.
- Billing notices to be mailed to U.S. address; payment must be drawn on U.S. bank
- For updates, go to www.zlifeusa.com

1 \$20 million per life. Certain age and sub-standard restrictions apply

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# Challenge: "World Citizens" Case study #2



Argentinian citizen needs \$20,000,000 of life insurance coverage

- 45-year old male Argentinian citizen living in Buenos Aires
- Owns business in Buenos Aires
- Owns house in Florida for past 5 years
- Visits U.S. 3-4X a year for 1-2 weeks

#### CHALLENGE:

Many companies will not entertain applications on Argentine Foreign Nationals due to solicitation laws

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# Solution for "World Citizens" Case study #2



Zurich American Life's retention <sup>1</sup> and Argentina country classification

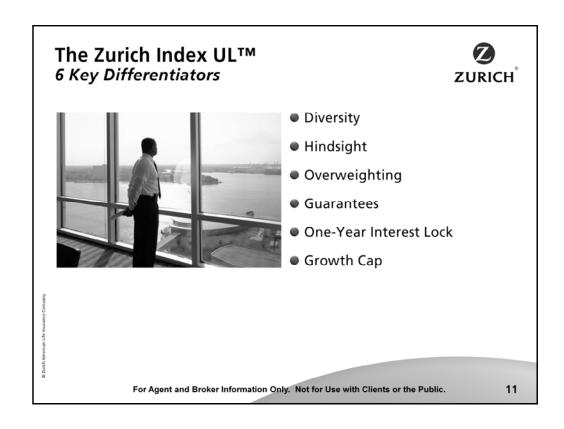
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- U.S. entity must be the owner
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- Policy must be delivered in U.S.
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1\$20 million per life. Certain age and sub-standard restrictions apply

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[DENNIS] My Zurich colleagues and I carefully designed the Zurich Index UL to provide a highly differentiated product that has features and interest crediting methodologies that are well-conceived, rational and able to perform as expected over the long-term. We have repeatedly heard that our industry does not need another undistinguished index interest UL product with unbelievable illustrated crediting rates and ill-advised product features. The Zurich Index UL's EDGE is that the base policy is well—constructed and the interest crediting options are innovative, diversified and believable.

[DENNIS] There are six major factors that truly differentiate the Zurich Index UL from competing index interest UL products. These six factors make the product such an outstanding value proposition.

- DIVERSITY
- HINDSIGHT
- OVERWEIGHTING
- GUARANTEES
- ONE-YEAR INTEREST LOCK
- GROWTH CAP

[DENNIS] Tim, let's take a closer look at each of these important differentiators.

# Zurich Index UL's EDGE... Diversity



#### Opportunity for Geographic and Economic Diversity

☑ Large Cap & Small Cap.

☑ Developed & Emerging Economies

Large Cap & Siliali Cap.

☑ Fixed Income & Specialty Sectors

☑ Domestic & Global

Fixed Interest Strategies

✓ Long Term Fixed Account

☑ Short Term Holding Account

Index Interest Strategies

☑ S&P 500® Index Interest Account

☑ Domestic Multi Index Interest Account

☑ Global Multi Index Interest Account

#### Zurich has the ability to adapt indices as market conditions change

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12

[DENNIS] The first key product differentiator is DIVERSITY, the diversity of the interest crediting options available in the Zurich Index UL.

[DENNIS] The policy has five interest crediting options: two fixed interest accounts and three index interest account – including the product's two innovative triple index account s: the Domestic Multi Index Interest Account and the Global Multi Index Interest Account. The Zurich Index UL has unsurpassed coverage of global economies and is poised to perform in all economic conditions.

[DENNIS] Tim, why is DIVERSITY of interest crediting options important to a prospective insured?

[TIM] In a word – 'choice'. Diversity of interest crediting options gives the consumer choice – today and tomorrow – as needs evolve and as risk tolerances change over time. The Zurich Index UL's diverse set of two fixed interest strategies, its basic S&P 500 Index account and its two innovative multi index accounts gives Zurich Index UL policyholders unsurpassed choice in today's index UL market segment.

# Zurich Index UL™ 5 Interest Accounts



#### 3 Index Interest Strategies

- S&P 500® Index Interest Account
- Domestic Multi Index Interest Account
- Global Multi Index Interest Account

#### 2 Fixed Interest Strategies

- Long Term Fixed Interest Account
  - 2% Guaranteed Annual Interest Rate
  - · One year interest rate guarantee
- Short Term Fixed Interest Account
  - 0% Guaranteed Annual Interest Rate
  - · Current declared rate

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13

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

[DENNIS] Each of the Zurich Index UL's five interest accounts have a guaranteed annual rate of interest crediting. This ensures that all accounts will never be credited with a negative annual rate of interest.

[DENNIS] Three of the Zurich Index UL's five accounts – the three index interest accounts – operate on a one-year point-to-point basis. This means that at the at the expiry of an account segment's one-year life, excess interest is credited and locked-in.

[TIM] Why is a ONE YEAR INTEREST LOCK so important? And why does it give the Zurich Index UL meaningful differentiation.

[TIM] The ONE YEAR INTEREST LOCK is important because in ensures at the end of every year, the policy value in every index interest account segment will be credited with excess interest. This annual crediting permits each account segment to start afresh each year with the last twelve month's performance fully reflected in any interest credited.

[TIM] In the next several slides, the differentiating merits of Zurich's ONE YEAR INTEREST LOCK will become readily apparent

# Zurich Index UL™ 2 Multi Index Interest Accounts



#### Domestic Multi Index Interest Account

- 3 Underlying Indices
- S&P 500® Composite Stock Price Index (excluding dividends)1
- Dow Jones-UBS Commodity Index<sup>SM</sup> (excluding dividends)<sup>2</sup>
- Russell 2000® Index (excluding dividends)3

#### Global Multi Index Interest Account

3 Underlying Indices

- S&P 500® Composite Stock Price Index (excluding dividends)¹
- MSCI EAFE Index (excluding dividends)<sup>4</sup>
- MSCI Emerging Markets Index (excluding dividends)<sup>4</sup>

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14

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# Zurich Index UL<sup>™</sup> 2 Multi Index Interest Accounts



- One-Year Point-to-Point. 100% Participation Rate
- 0% Guarantee. One Year Interest Lock
- Hindsight & Overweighting
  - At the one year expiry (Hindsight) of each Account Segment
  - Performance of the 3 underlying indices are weighted
    - #1 performing index is overweighted 70%
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15

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# Zurich Index UL's EDGE... Guarantee and One Year Interest Lock



- Each Account has a Guaranteed Annual Rate of Interest Crediting
  - Guarantees prevent Account from experiencing a negative rate of interest
  - Fixed Interest Accounts
    - Long Term Fixed Interest Account: 2% Guarantee Per Year
       Short Term Fixed Interest Account: 0% Guarantee Per Year
  - Index Interest Account
    - S&P 500® Index Interest Account: 1% Guarantee Per Year
    - Domestic Multi Index Interest Account: 0% Guarantee Per year
    - Global Multi Index Interest Account: 0% Guarantee Per Year
- Each Account has a One Year Interest Lock
  - Index interest is credited at the end of each twelve month period
  - Ensures Account Segments start fresh each year
  - Account Policy Values fully reflect last year's interest performance.

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16

[DENNIS] The Zurich Index UL's next two key differentiators are GUARANTEES and the ONE YEAR INTEREST RATE LOCK.

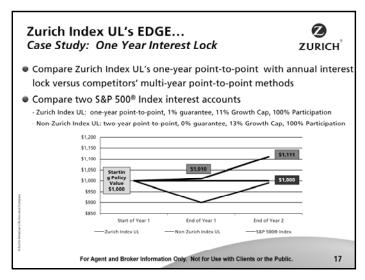
[DENNIS] Each of the Zurich Index UL's five interest accounts have a guaranteed annual rate of interest crediting. This ensures that all accounts will never be credited with a negative annual rate of interest.

[DENNIS] Three of the Zurich Index UL's five accounts – the three index interest accounts – operate on a one-year point-to-point basis. This means that at the expiry of an account segment's one-year life, excess interest is credited and locked-in.

[TIM] Why is a ONE YEAR INTEREST LOCK so important? And why does it give the Zurich Index UL meaningful differentiation.

[TIM] The ONE YEAR INTEREST LOCK is important because it ensures at the end of every year, the policy value in every index interest account segment will be credited with interest. This annual crediting permits each account segment to start afresh each year with the last twelve month's performance fully reflected in any interest credited.

[TIM] In the next several slides, the differentiating merits of Zurich's ONE YEAR INTEREST LOCK, coupled with the Hindsight/Overweight calculation operating each year, will become readily apparent. A truly powerful combination.



[DENNIS] To more effectively illustrate the benefit of the Zurich Index UL's ONE YEAR INTEREST LOCK, let's use a hypothetical two-year case study. In this study, we are going to contrast the benefit of the Zurich Index UL's one-year point-to-point crediting methodology versus the multi-year point-to-point methodologies that some non-Zurich carriers offer. The case study examines the two policies' S&P 500 Index Interest Accounts each with a 1% guarantee and an 11% or greater Growth Cap.

[DENNIS] Let's assume that a Zurich Index UL policyholder allocates \$1000 of Policy Value to the policy's S&P 500 Index Interest Account with its ONE-YEAR point-to-point crediting methodology and 1% annual guarantee. Let's further assume that a non-Zurich UL policyholder allocates \$1000 of Policy Value to his or her policy's S&P 500 account with its TWO-YEAR point-to-point crediting methodology and 0% guarantee.

[DENNIS] Tim, please walk us through this One Year Interest Lock case study

[TIM] OK, let's assume that both policies are starting year-one with \$1000 of policy values in their respective S&P 500 Index accounts. For case study purposes, let's also assume that no policy fees or loads that will be deducted from either of the policies' accounts during the case study period.

[TIM] The blue line on the slide reflects the performance of the S&P500 Index (excluding dividends) over the two-year case study period. At the end of Year 1, assume that the S&P 500 Index declined by 10% over the prior twelve months. In year two, the S&P 500 Index increased by 10% over the preceding 12 months. However, at the end of year two, the S&P 500 Index did not quite return to its starting point at the beginning of year one

[Tim] Let's now look at the performance of the Zurich Index UL' as reflected by the green line. The Zurich Index UL's policy value started at \$1,000 at the beginning of year one. Given that the S&P 500 Index declined 10% in year one, the Zurich policy values received 1% guaranteed interest at the end of year one and increased to \$1,010.

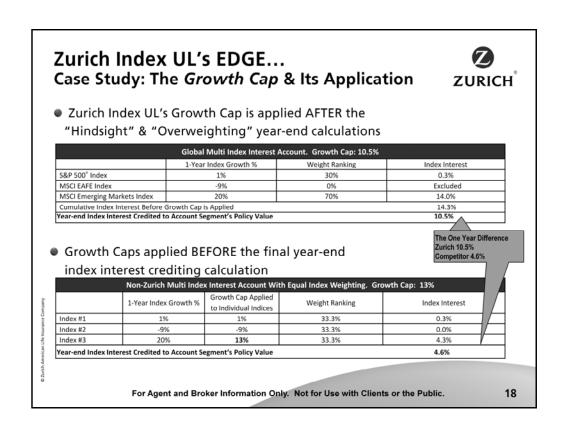
[TIM] The non-Zurich policy, depicted on the chart by the red line, did not receive any index interest crediting at the End of Year 1 given that its S&P 500 account has a two-year point-to-point structure

[TIM] Now, let's fast forward to the End of Year 2 and assume that the S&P 500 Index increased 10% over the preceding twelve months.

[TIM] The Zurich Index UL's End of Year 2 policy values will be increased by 10% to \$1,111.

The non-Zurich policy, with its two-year point-to-point crediting methodology, may also be eligible to receive an index interest credit at the End of Year 2. However, the S&P 500 Index actually declined over the two-year period. Therefore, this non-Zurich policy is not eligible for a S&P 500 Index-based adjustment and will only receive its 0% guarantee interest rate. Net result, at the end of year two, the policy value of the non-Zurich policy will be unchanged at \$1,000.

[TIM] Comparing the two policies' End of Year 2 policy value account balances, the Zurich Index UL's policy values increased over 11% versus the non-Zurich policy in just two years time.



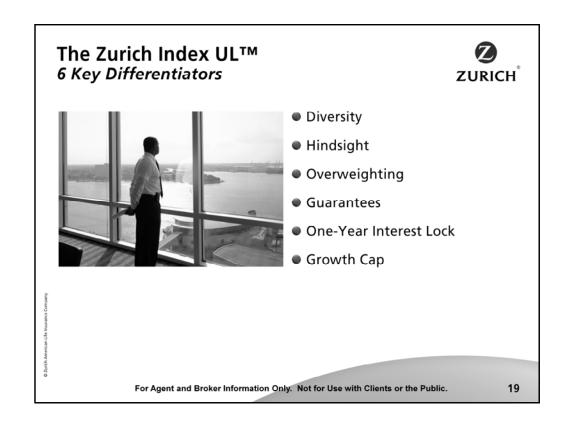
DENNIS] This slide brings the two charts from the two previous slides so that we can readily compare - side by side - the index interest crediting performances of the Zurich Index UL and some other carriers' competing products.

[DENNIS] As you can see, in this one-year case study period, the Zurich Global Multi Index Interest Account will be credited at the end of the year with a 10.5% index interest credit versus a 1.6% index interest credit on the non-Zurich product.

[DENNIS] 10.5% versus 4.6% crediting difference after only one year? Even with the non-Zurich account having a 13% GROWTH CAP? That's quite dramatic! Tim, do these results surprise you?

[TIM] The Zurich Index UL's results do not surprise me at all. First, you quickly see the positive merits of how the Zurich GROWTH CAP operates. In addition, and most importantly, what the chart above is really reflecting is how the Zurich Index UL's HINDSIGHT and OVERWEIGHTING mechanics work in concert with the Zurich GROWTH CAP and other policy provisions to deliver to the policy owner a superior end-of year crediting result.

[TIM] Dennis, recall one of your opening slides where you outlined the 6 KEY DIFFERENTIATORS of the Zurich Index UL. The real value proposition of the Zurich Index UL reflects all 6 DIFFERENTIATORS working not just individually but in concert with one another.



[DENNIS] My Zurich colleagues and I carefully designed the Zurich Index UL to provide a highly differentiated product that has features and interest crediting methodologies that are well-conceived, rational and able to perform as expected over the long-term. We have repeatedly heard that our industry does not need another undistinguished index interest UL product with unbelievable illustrated crediting rates and ill-advised product features. The Zurich Index UL's EDGE is that the base policy is well—constructed and the interest crediting options are innovative, diversified and believable.

[DENNIS] There are six major factors that truly differentiate the Zurich Index UL from competing index interest UL products. These six factors make the product such an outstanding value proposition.

- DIVERSITY
- HINDSIGHT
- OVERWEIGHTING
- GUARANTEES
- ONE-YEAR INTEREST LOCK
- GROWTH CAP

[DENNIS] Tim, let's take a closer look at each of these important differentiators.

#### For More Information





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20

[Dennis] In closing, thank you for investing time with us today to hear this overview of the Zurich Index UL index account options. My Zurich colleagues and I believe that we have delivered to you a highly differentiated product that will help you compete in the fast growing index UL product segment. We look forward to working with you as together we bring the Zurich Index UL to the market.

[Dennis] Over the next few weeks, my Zurich colleagues and I will be delivering to you additional important materials – printed and electronic – to help you confidently understand and tell the Zurich Index UL story.

[Dennis] If you have any questions, or would like additional information including an electronic copy of today's presentation. please contact your Zurich BGA or any member of our Zurich Sales & Marketing Team.

[Dennis] Thank you for your consideration of the Zurich Index UL. We appreciate your business. This presentation is now concluded.

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23

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Company Tracking Number: 2011-0156

TOI: L091 Individual Life - Flexible Premium Sub-TOI: L091.001 Single Life

Adjustable Life

Product Name: Marketing Material IUL

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